THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVIII. Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, JANUARY 18, 1924 Single Copies, 10 Cents No. 3

PUBLIC OPINION FORCING OTTAWA TO REVISE TAXES

All Classes Joining in Demand For Less Spending

THE WORLD MARKETS

Demand for Foodstuffs Below Normal — Important to Develop Mines, Forests, and Other Resources

The announcement of the plan of Hon. J. A. Robb, who is now firmly installed in the Department of Finance to raise money by a bond issue probably in the United States, for the National Railways, instead of meeting deficits out of current revenue, is taken as a forerunner of some comprehensive program of federal financing looking to a reduction of taxation. The confidence of Sir Henry Thornton in the ability of the Nationals to greatly increase their revenue next year—and he expects to do better than he has publicly announced—also brightens the outlook for relief. The government is undoubtedly greatly impressed by the demonstration of public opinion which has swept the country in the wake of the proposals of Secretary Mellon for a fifty per cent. cut in the income tax in the United States. But it is necessary that the agitation for relief should be continued if the political pressure for grants for various local projects which are flooding Ottawa as the opening of parliament approaches is to be nullified—as it must if the tax bills are to be cut. Business then is feeling better in the hope of lower tax levies, but the situation otherwise shows little change. In Europe conditions are depressing so far as the export market for our agricultural products is concerned, and the political upheaval in England is rather disturbing despite our confidence in the English people to work out their difficult problems. In the United States business has got under way again with the new year, but there are some signs of cross currents ahead.

The demands for taxation relief come from every quarter. When Sir Joseph Flavelle proposed cutting the income tax in two, a Toronto audience of business men applauded enthusiastically. On behalf of organized labor Tom Moore has asked for a cut in the present levies. Votes on municipal by-laws have indicated a desire for retrenchment, which has been reflected in the inaugural addresses of civic office holders. As the Moose Jaw Times declares: "Everywhere in Canada fervent demands are made for the reduction of the burden of taxation."

The effect of the disturbed European conditions on Canadian industry, particularly agriculture, which was emphasized at the annual meeting of the Bank of Toronto by Vice-president Henderson, in referring to the fact that the buying power of 300,000,000 people is only 20 per cent. of normal, is brought out in another way by Dr. Anderson, of the Chase National Bank of New York, who recently impressed a Toronto audience by his understanding of the European situation. Dr. Anderson says that agriculture in America has become an over-expanded industry, not primarily because it has itself expanded, but because the manufacturing activity of the world has contracted. Until buying power in Europe is restored, he argues that it is not good business to put more capital into agriculture any more than it would be good business to put more capital into a manufacturing industry on a depressed market. But the agricultural situation in Canada is more hopeful than in the United States. Because of lower land values we can produce more cheaply. Also it becomes evident that it is only a matter of a comparatively short time before the growing cities and unprofitable farming in the United States make that country an export market for our wheat. However, in the meantime it is a question if Canada is not making a mistake in centering her activities on agricultural immigration when common laborers and good mechanics, willing to work and develop Canada, are necessary to the expansion of our mineral, pulpwood and other industries which are turning our raw materials into manufactured products. However, the fact that there is a "barren area" of agricultural credit in Canada has been admitted by C. E. Neill, general manager of the Royal Bank, and this and other phases of the banking and credit situation promise to come up for consideration during the coming session of parliament. Sir Clifford Sifton's proposal for a Central Board of examination and re-discount promises to pave the way for legislation which will restore public confidence in the banks and at the same time improve the credit machinery.

The European situation in its relation to conditions in Canada is also emphasized by Sir Vincent Meredith president of the Bank of Montreal in the Annalist. He says that the outlook in Canada is for a continuance of reasonably satisfactory conditions with, possibly, some further revival in trade, "but we cannot hope for substantial and permanent betterment until world-wide conditions show a marked improvement, and this is likely to take time." American bankers all over the country while optimistic over the immediate outlook, are "not at all unanimous in predicting a protracted period of business activity," according to an elaborate investigation undertaken by the Farmers Loan and Trust Company of New York.

Sir John Aird Has Work to do at Ottawa

From Our Own Correspondent.

OTTAWA.—Sir John Aird's assurance that, as president of the Canadian Bankers' Association, he will endeavor to correct the wrong impression that the public has got respecting that body by making the people acquainted with its real aims and activities, will help it in parliamentary circles.

Nothing did the bankers more harm than their assurances to the public that everything insofar as the banks were concerned was all right, while at the same time banks were either failing or escaping failure only through mergers. It now looks as though the banking system is in for certain changes whether the regular doctors like it or not.

BIG DEMANDS ON THE TREASURY

Political Activities Are Discouraging to Those Who Look For Reduction of Taxes

From Our Own Correspondent.

OTTAWA.—The presence of recent deputations here does not improve the outlook for an immediate reduction in expenditure. They were not promised all they asked for, but it looks as though it might be difficult to turn down some of the importunate.

The Ontario municipal electors' representatives only asked for $7,500,000 for the Morrisburgh dam, a rather modest sum, but someone recalled the general belief that at the time the Grand Trunk Pacific was proposed it would cost only $13,000,000.

A number of influential Liberals have been here from the Maritime provinces, and it is known that they expressed the conviction that the finance minister would have to pay a little more attention to things down there. This means money, for one of their complaints is not that there has been a lack of promises, but of performances.

Conversations with the Western leaders, whose views were desired, brought out that the West still wants at least $30,000,000 of branch lines constructed. It was $30,000,000 last year, and time has increased rather than diminished the demands. There is also the demand that the Hudson Bay Railway be completed.

Under these four headings alone the demands amount to about $45,000,000, and the rank and file of the members have not yet begun to come to town.

U.S. FARMERS HAVE THEIR TROUBLES TOO

Many Farmers in Mississippi Valley Lost Their Farms During Recent Slump

WASHINGTON.—In order to discover what proportion of farmers in the corn and wheat-growing states had lost their farms during the price-slump from 1920 to 1923, the department of agriculture secured reports on their neighborhoods from 2,400 farmers in the upper Mississippi Valley. The inquiry covered fifteen states and gives data on nearly 100,000 farmers.

Of 69,000 farmers who owned their farms 5,800, or 8½ per cent., lost their farms, and 10,400, or 15 per cent., held on through the leniency of creditors, although actually insolvent. Thus, nearly one-quarter of all the owning farmers reported upon came into serious financial straits during the lean years 1921 and 1922.

Tenant farmers naturally fared worse. Out of 26,000 reported upon, 14 per cent. lost their farms and 21 per cent. more were able to hold on only through the leniency of creditors, giving a total of 35 per cent. in financial distress during the period.

The department of agriculture considers these returns accurate enough to portray the general condition in the territory investigated. Applying the percentages to the total number of farmers in the fifteen states it is estimated that of a total of 2,389,000 owner and tenant farmers 230,000 lost their holdings, and nearly 400,000 more experienced acute financial losses which put them at the mercy of creditors.

Inquiry shows that about one-fifth of those who lost their farms did so primarily because they bought land at inflated prices during the land boom period, while approximately 5 per cent. had to surrender their holdings as a result of unwise investments in enterprises other than farming.

On this basis about 175,000 farmers, either legally or practically bankrupt, had to leave the scene of their labors in spite of the fact that they had not been speculating either in land or non-agricultural ventures.

RADICALS DECLARE SEDITION LAW OF CANADA TOO WIDE

Bemoan Fact That Foreigners Inclined to be Seditious Have No Protection

HALIFAX—Some of the labor organizations of this city have organized a defence committee on behalf of J. B. MacLachlin, at present serving sentence in the Dorchester penitentiary on account of his activity in the Sydney strike. J. S. Woodsworth, M.P. for Winnipeg, addressed a labor mass meeting here Sunday afternoon and stressed the great injustice of which Mr. MacLachlin had been the victim. The criminal code, Mr. Woodsworth contended, contained no defintion of what sedition actually was within the meaning of the law and that consequently any court might interpret it as broadly as it pleased. Foreigners in Canada charged with sedition, he claimed, had no protection under the law whatever, even though they might have become naturalized citizens. Referring to his own experience in Winnipeg, he declared that he had the honor of being the first man ever put in jail for quoting from the Old Testament.

"Many people are stronger in jail than out," said Mr. Woodsworth. "Out West we have a saying that if you want to get into parliament, first get into jail on a political offence."

Cape Breton locals of the U. M. W. are preparing for a big fight in Indianapolis for the restoration of their autonomy, and an early election of district officers to replace the provisional Barrett regime how in power in Glace Bay.

For the first time in years a number of locals are sending delegates to the international convention to represent the interests of district No. 26.

ADVANTAGES WITH CANADIAN FARMER

American Wheat Grower Not Able to Compete With the Canadian Grower

From Our Own Correspondent.

NEW YORK.—That Canada will eventually find the way out of her present agricultural difficulties by increasing the efficiency of her farming methods, was the statement made by Dr. David Friday, ex-president of the Michigan Agricultural College, in the course of a speech made last week in the new school for social research.

Later in his address, which dealt with the agricultural situation in the United States, he stated that he could see no hope for the wheat growers of the American Northwest, as he could not see how they could continue to compete with the Canadian growers.

Export Duty On Our Pulpwood is Favored

PORT ARTHUR.—At the sitting of the Royal Commission on Pulpwood, Chairman Picard threw out the suggestion that it might not be out of the way to suggest an export tax of 50 cents a cord on all wood sent out for export, on the understanding that the money revenue so derived was applied wholly to forest conservation and protection against fire hazard.

"Would the exporter stand $1 a cord tax?" suggested the chairman. "He might," answered W. H. Russell, of the Russell Timber Company, who was on the stand at the time.

Depositors of the defunct Home Bank will receive from 37 to 40 per cent. of their deposits, I. E. Weldon, associate liquidator, told Ottawa depositors this week.

How the Supertaxes Burden the Masses, Not the Classes

When Sir Joseph Flavelle suggested to a representative audience at a meeting of the Canadian Club of Toronto that Canada should cut her income taxation in half, there was an outburst of applause which left no doubt of the feelings of those present on this question. Applause also greeted Sir Joseph's suggestion that it would be in the interests of all classes in Canada to borrow abroad for necessary capital expenditures, and use the funds of the Canadian people for the development of the country's resources, and the backing of Canadian enterprise.

Behind the suggestion of Sir Joseph, as behind the proposal of Secretary Mellon for a reduction of the supertaxes on incomes in the United States, is the argument that such supertaxes do not really finance the country by a heavy draft on the big incomes, as would appear at first glance, but actually drive capital into tax exempt securities, discourage industry and result in a business depression. Thus, the effect of such taxation is to deflect capital into safe, unproductive investments, without seriously interfering with the personal spending of the wealthy, while unemployment and poor business seriously affect the incomes of the masses. This contention is becoming a conviction with a great many people in the United States and Canada. There is a change of opinion as to who is actually bearing the burden of the supertaxes, which are not only discouraging enterprise and smothering initiative, but are actually defeating their own purpose by driving capital into investments which cannot be taxed, or where there is assurance of a moderate net return.

In recommending a reduction of the supertaxes to the American people, Secretary Mellon declares that his way is actually for more income for the government, more for the people themselves, an evenly distributed tax burden and better business conditions, while the present method has brought less revenue; taxes in a large part have been so prohibitive that they have been avoided, and the productive power of the nation has been artificially restrained; 6,000,000 taxpayers with incomes ranging from $1,000 to $5,000 a year are being forced to give to their government of their [illegible] a larger share than would be necessary if the confiscatory surtax had not eaten away initiative in business and induced taxpayers to avoid investments on which the government could collect a substantial revenue."

The effect of an income tax levy up to 58 per cent. in the United States, according to Secretary Mellon, has not been to make the big incomes to pay a larger share of the expenses of the country. Revenue is actually being lost and, at the same time, funds that should be used in productive enterprises are being forced into wrong channels. Taxes cease to be productive when they are oppressive, and result in so many different disturbances to the economic life of the people that high living costs, decreased opportunities for everybody, and other ill effects, are bound to follow. This is eventually felt by the consumers—the country's whole population.

Actual illustrations of how the discouragement of enterprise resulting from the supertaxation affects the prosperity of the community are given by Mr. Mellon in an interview in the Saturday Evening Post.

"I heard of a case lately in which a man has a 220-acre tract of coal land adjoining a good mine. The owners of the neighboring mine are working up to it and wanted to lease it. He could lease the land at twelve cents a ton. This man's surtax rate was such that he would have to pay more than half of it to the government. As a consequence he didn't make the deal. He reasoned that coal would always be wanted, and that it would be more valuable in the future. Meanwhile the business isn't done and the government gets no revenue.

"Take another illustration which shows how building is arrested and how rents are kept high. A certain man inherited a piece of ground. It is in a neighborhood where business is developing. The lot is vacant and has a high city tax. The business establishment adjacent needs more space. The man was offered a ground rental of $8,000 a year for twenty-five years, provided he would construct a building toward which they would pay 7 per cent. interest upon the cost plus an amount yearly that would amortize the cost in twenty-five years. It was a splendid proposition from every angle but one—the surtaxes. When this man figured out that he would have to pay the government 58 per cent. of the income, what appeared to be a 7 per cent. investment was cut down to about 3 per cent. He reasoned that he could do much better by putting that $175,000 out at 4.25 per cent. in city bonds that were tax exempt. And the architect who was to build the building didn't get the work, the contractors lost an opportunity, the brick man, the cement man and all the people engaged in the building business were deprived of work, and the government itself was deprived of the revenue which the transaction would have made available had the surtax rate been lower.

"Indirectly, also, it operates to keep the scale of rents in that district at a high level through the lack of new buildings."

Experience has shown that people of means are not investing their money in things that are subject to heavy taxes if profits are large when they can get a moderate income reasonably assured and without the risk of those losses which go hand in hand with prospects for large profits, but losses which they would have to bear entirely themselves. And if large incomes evade taxation, of course, the burden is on the smaller incomes or the indirect taxation levy must be increased.

In 1916 there were 1,296 persons in the United States who on their income tax returns showed that they were receiving a taxable income of $300,000 a year or over.

In 1918 the number dropped to 627, and finally in 1921 only 246 persons were in the group of incomes of $300,000 or over, and the total amount of their taxable income from dividends and interest on investments amounted to only $155,000,000, as against $706,000,000 in 1916.

This is the situation in the United States as pointed out by Secretary Mellon, and, in Canada, as emphasized by Sir Joseph Flavelle. And the public is coming to a realization of the soundness of their reasons and their reasoning.

Protection Not Defeated Issue

LONDON (By mail).—Now that the final figures from all the constituencies have been declared, it is possible to give an analysis of the election as compared with that of last year. Contrary to the assumption of Mr. Baldwin's opponents, the Unionist Party has not lost a single vote in the aggregate by reason of its Protectionist program. The Party has, in fact, polled 40,000 votes in excess of those recorded in 1922. Furthermore, the number of those electors who did not oppose the Unionist policy exceeds the number who did oppose it by no fewer than 2,325,000. The votes cast against the Liberal Party, on the other hand, show a majority of 1,888,907. Against the Socialist policy the majority amounts to over 2,000,000 votes.

The newspapers have already begun to realize that they were hasty in assuming that protection was defeated past revival. Over 5,000,000 voters declared themselves in favor of protecting British trade, and thousands of working men would have supported the Unionist policy but for the iron discipline of trade unions which forces the workers to vote the Labor ticket. Protection is a logical part of trade unionism, which seeks to protect the worker's wage from foreign competition, as is shown by the stringent efforts of these unions to keep foreign laborers out of the English market by means of the passport system, which other sections of the community would like to see abolished.

The unionist party is preparing a vigorous campaign of education on the subject of protection, and it is freely predicted that labor leaders will find themselves deserted by large numbers of their followers when the issue comes before the electorate again, unless they change their tactics.

Great Canadians Stress Unity

Five Canadian leaders have in the last few days found it necessary, in addressing Toronto audiences to stress the need of unity among the sections and classes of the Dominion and the need for curbing the campaign for creating discord—His Excellency, the Governor General, the Prime Minister of Canada, the Prime Minister of Ontario, General Sir Arthur Currie, principal of McGill, and the President of the Canadian Pacific Railway. The Principal of McGill, speaking at a great meeting of the Canadian Club said in part:

"No one who sees the vision of the future, not obscured by the shadows of prejudice, can deny that all is not harmonious between the different Provinces in their relation to each other and in their attitude toward national life.

"I don't know how much truth or even sound judgment there is in the statement which within the last week or two has been broadcast throughout this land and world, that Canada was slowly and surely breaking in two in the centre, that the time must come when the East must part from the West, that already the silver cord of unity was being loosed, and the golden ball of interprovincial friendship being broken, but I do know this: that there are murmurings of discontent.

"Put your ear to the ground and you will detect discontented voices. They come in the old provinces by the sea; they are carried by the winds of the Prairie Provinces, and are heard to a lesser extent in the older Provinces of Ontario and Quebec, and every hour of every day the swarm of emigrants flows steadily south. We are told 250 people a day pass through the city of Detroit alone; that 10,000 left Quebec last year, and another 10,000 the Maritime Provinces.

"And is there anything which the Canadian Clubs of this country can do to check that ebbing tide? It is a national question, a Provincial question. Canadians should keep alive the splendid past and ideals of their pioneer citizens, the retention of which meant the maintaining of all that was best in Canadian national life."

Could THE FINANCIAL POST have stronger confirmation of the wisdom of its policy during the last few years in exposing the insidious propaganda carried on particularly in the schools and colleges by foreign emissaries, and in urging action to stop it? It is extraordinary that a man so well informed on all matters as the brilliant Chancellor of the University of Toronto, Sir Edmund Walker, should accuse THE POST of printing nonsense; and that he should ignore the extremely dangerous anti-British developments going on under the inspiration and protection of certain professors and officials. Happily these activities are resented by the great majority of the professors, the students and graduates throughout the province, and the recent appointment of Rev. Canon Cody to the chairmanship is generally understood to be the first step in a necessary

(Continued on page 16)

Provincial Bank Idea Turned Down in Alberta

EDMONTON.—The Farmer government in Alberta definitely has refused the request of the United Farmers of Alberta for the establishment of a provincial bank, and at the same time announced its hope that at an early date it would be possible to establish a practical system of long-term farm credits.

ROBB PLANNING A REDUCTION IN INTEREST BILLS

Would Open the Way for Reduction in Taxes

PERMANENT MINISTER

Little Likelihood of Mr. Fielding Coming Back—Railway Loan is Taking Advantage of Easy Money Market

From Our Own Correspondent.

OTTAWA.—There are growing indications that Hon. J. A. Robb will be located permanently in the portfolio of Minister of Finance. It is true that as Mr. Fielding has not resigned yet, the minister designate can do no more than fill in, as it were, but there is very little likelihood of Mr. Fielding coming back, a situation that very soon will have to be faced.

There is an impression that Mr. Robb has some ideas of his own about the way that the problem of expenditure and taxation should be tackled, and that he thinks ordinary measures, which consist of cutting off a few thousand here and a few thousand there, will not do. One of his first attempts would probably be to make a dent in the huge annual interest payment, a debt readjustment to reduce the interest bill. That would mean big financing, but the feeling it that it has to be done if genuine relief is to be given.

One of the best evidences that Mr. Robb is following the money market closely is to be seen in the timely announcement of a new Canadian National Railway loan for $50,000,000. He has had his eye on New York recently, and like a sound financier realizes that one of the best ways to reduce taxation is to borrow wisely, no matter where. It is very generally held that the last Dominion financing was not as good a bargain as many had thought at the time.

Mr. Robb, like ministers generally, gets a certain amount of criticism, but it seems to roll off him better than it does off some others. In a sense this may be due to [illegible] long speeches, his critics [illegible] much to quote from. And [illegible] event they believe in his [illegible] and integrity. A [illegible] of Finance would probably save himself and the government [illegible] trouble.

Among other things Mr. Robb is sometimes subjected to a little chaffing on the ground that a couple of years ago he went all the way to Australia to negotiate a trade treaty and was unable to make much progress. His reply is that like a good "drummer" he went to see a prospective customer, and if the results were not entirely to his liking it could not be said that he had not made a call. He is one of those who believes that trade with Australia will improve just as soon as the Dominion knows where it is at on the British Preference.

FEATURES

Few Changes in Income Tax Forms This Year .. [illegible]
N. B. Employers Seek Relief from Compensation .. [illegible]
Where Canadian and U. S. Capital Work Together .. [illegible]
Canada Needs Men and Capital—Low Taxes a Magnet .. [illegible]
Optimistic Industrial Outlook Reflected in Market .. [illegible]
Foreign Paper Makers in States Market .. [illegible]
St. Maurice Will Double Capacity of Paper Plant .. [illegible]
Oil Drilling on Large Scale for Alberta .. [illegible]
Smelters Getting Big Income from Sullivan Mine .. [illegible]
Oil Competition Puts B. C. Coal Mines in Bad Way .. [illegible]
Heavy Trading in Mine Shares Continues .. [illegible]
Canadian Bank Profits Compare Well With U. S. .. [illegible]
Budget Deficits Are Causing Fall in Franc .. [illegible]
Exposition Train Advertised Canada in France .. 10
Rush to Secure Finances on Part of Municipalities .. 12
Quebec Province Expecting Another Surplus .. 12
Alberta Has Changed Accounting System .. 13
Entire Village Protected by Varied Policies .. 14
Insurance Funds Largely Returned to Communities .. 14
Maritimes Want Grain Moved Through East Ports .. 15
Toronto Mortgage Enjoyed 25 Years' Success .. 15
Canada's Debt Stays at About Same Levels .. 16
American Capital Has Helped Build Steel Plants .. 17
Alaska Coal Invades Markets of B. C. Mines .. 18
Case for and Against Capital Levy .. 19
Army and Navy Veterans Meet Red Campaign .. 20
Editorial—Hon. Mr. Meighen Tricking Himself—The Premier Consults the West—Washington Minister Now Unnecessary — Unity Canada's Greatest Need—Our Export Market in Europe—Hon. Mr. Bureau Asks a Practical Question — Canada Welcomes Foreign Investment .. 10

Collections

Collection of drafts, notes, coupons, etc., both at home and abroad, is one of the many services performed by the Bank of Montreal for its customers.

This service is direct, quick and efficient through the Bank's offices at all important points in Canada and Newfoundland and in the financial centers of the United States, Great Britain, France and Mexico.

Correspondents in all parts of the world.

BANK OF MONTREAL

Established over 100 years

The Bank of Nova Scotia

Established 1832

Capital .... $ 10,000,000
Reserve Fund 19,500,000
Total Assets 220,000,000

GENERAL OFFICE—TORONTO, ONT.

J. A. McLEOD, General Manager.

Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
55 Old Broad Street, E. C. 2,
London, England, Branch.

Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations, and individuals carried on most favorable terms. Correspondence Solicited.

Saving Inspires Confidence

THE feeling of independence and self-respect which comes to one who has money in the bank is more than worth all the effort involved in accumulating the savings. It is reassuring to possess a growing bank account which will enable you to meet the emergencies as well as the opportunities of to-morrow.

You are invited to open a savings account at our nearest branch.

THE DOMINION BANK

HEAD OFFICE, TORONTO.

London, Eng., Branch, ... 3 King William St. E. C. 4.
New York Agency, ... 35 Wall St.

UNION BANK of Canada

Capital .... $ 8,000,000
Reserve and Undivided Profits 2,067,074
Total Assets 128,299,679

The Bank's Annual Statement has just been issued and copies thereof are available for anyone, on application, at any branch of the bank.

LLOYDS BANK LIMITED.

HEAD OFFICE: 71, LOMBARD ST., LONDON, E.C. 3.

($5 = £1.)

Capital Subscribed $359,323,900 | Reserve Fund - $50,000,000
Capital Paid up - $71,864,780 | Deposits, &c. $1,677,972,070

EASTERN DEPARTMENT:

77, LOMBARD STREET, LONDON, E.C. 3.

In consequence of the acquisition of the businesses of Messrs. COX & Co. and Messrs. HENRY S. KING & Co. (including Messrs. KING, KING & Co. and Messrs. KING, HAMILTON & Co.), LLOYDS BANK now has the following Offices in India, Burmah and Egypt:—

INDIA & BURMAH.—BOMBAY, CALCUTTA (2 Offices), KARACHI, RANGOON, DELHI, SIMLA, RAWAL PINDI, MURREE, SRINAGAR (Kashmir), GULMARG.

EGYPT.—ALEXANDRIA, CAIRO (2 Offices), BENHA, BENI SUEF, FAYOUM, MEHALLA KEBIR, MINIEH, TANTA, WASTA.

General Banking, Exchange and Agency Business of every description. Special facilities with the British Isles, Australia, Canada, New Zealand, the Continent and North and South America.

BUT FEW CHANGES IN INCOME FORMS FOR 1924 TAXES

Interest on Borrowed Capital Deductible to Reasonable Amount

TAXES A PRIOR LIEN

Storm of Protest Gathering Force Against Scheme of Ranking Unpaid Taxes Ahead of Loans

From Our Own Correspondent.

MONTREAL.—In making out their income tax returns for 1923 income, business men will not find the procedure materially changed from that followed a year ago. Parliament, at its last session, made a few changes in the income tax law. Only three of these changes related to the actual returns themselves.

From the standpoint of business the most important change was the clause that clarified procedure in connection with interest paid on borrowed capital used in a business. Previously, the act had not made it clear that interest on bonds, mortgages, bank loans, and other borrowed capital could be deducted from earnings before arriving at net profits subject to tax. Everything went along smoothly enough, and business firms deducted the interest on their profits, and were allowed the deduction, until about a year ago, when a definite ruling was asked from the department of justice on this point. The department of justice caused some surprise by ruling that interest must be viewed as not deductible from the income. This made a tremendous difference to firms that had bonds, mortgages or bank loans outstanding, and added greatly to their taxes. Last year there was a great deal of confusion on the point; many firms made out their returns on one basis and many on another.

The amendment to the act that was effected at the session of parliament makes the entire point clear now, and states that interest on borrowed capital used in a business may be deducted before the determination of taxable income. And in order that firms that declared this interest and paid taxes on it last year may not be penalized for their return, the new section was made retroactive to come into force with the 1921 taxation, so all business firms that paid taxes on their 1922 or 1921 interest can claim this as a refund.

In putting in this section the officials at Ottawa designed the rule in such a way that a firm cannot pay an excessive rate of interest and get away with it. It is specifically provided that what may be deducted is "such reasonable rate of interest on borrowed capital used in the business to earn the income, as the minister in his discretion may allow, notwithstanding the rate of interest payable by the tax payer. To the extent that the interest payable by the tax payer in excess of the amount allowed by the minister be rendered, it will not be allowed as a deduction." At the same time it is provided that the rate of interest allowed will not exceed the rate stipulated in the loan.

Restriction on Deduction

Another amendment provided that no income tax should be payable on war pension, and a third amendment placed some restrictions on deductions that might be made from income of an individual or corporation by stating specifically that no deduction should be allowed in respect of disbursements or expenses not wholly, exclusively and necessarily laid out or expended for the purpose of earning the income or for any outlay, loss, or replacement, of capital, or any payment on account of capital, or depreciation other than those specifically exempted by the act. This is evidently to prevent corporations and partnerships spending too heavily on capital account or incurring unnecessary expenses to the end of evading payment of income tax.

Parliament also changed the system of making appeals against the act, and outlined procedure that must be followed.

Of all the amendments, though, none has caused more protest than the one that created unpaid income taxes the first lien upon the assets, real and personal, of a taxpayer. The lien becomes the first charge on his property, even ahead of mortgages and other charges and assignments of any kind. Undoubtedly, such a regulation is bound to result in a great deal of confusion. Loan companies and trust companies will be required to examine every property offered them for mortgage to see if the taxpayer has paid his taxes; moreover, each year will have to check up to see that all government taxes and charges are paid. The security of banks is also effected, for the income tax, together with interest and penalty, becomes a first charge ahead of any securities taken under Section 88 of the Bank Act.

It is quite likely that action will have to be taken to either modify or reverse this law entirely. It throws the entire lending and banking procedure of the country into confusion, for a little thought will convince anyone that it is impossible for investors to be continuously checking up the position of borrowers in regard to their income taxes. While there is no means of procuring a certificate that the income tax has been paid, the mortgagee or a purchaser cannot without difficulty be assured that there is no prior encumbrance on the property in which he invests his money. It is felt by mortgage men, by lawyers and by bankers that this regulation is going to have a material effect in slowing up the flow of capital into Canada.

Much smaller matters than this have caused deep concern to British and foreign investors in the case of Canada as well as other British Dominions.

The offending amendment reads as follows:

"All taxes, interest and penalties payable under this Act shall constitute a lien upon the assets of the taxpayer both real and personal. This lien shall be deemed to attach or to have attached on the first day of May, immediately succeeding the taxation year in respect of which the tax is payable or to which the interest and penalty relate and notwithstanding lack of notice, registration or publication, shall have priority over any mortgage, charge, lien or hypothec or any assignment or conveyance, including any security taken under section eighty-eight of the Bank Act executed or created after the said first day of May, save and except the liability to the Crown of any person, firm or corporation for payment of the excise taxes specified in the Special War Revenue Act, 1915, and amendments thereto; provided always, however, that the lien or charge hereby created shall not follow or attach to personal property sold bona fide to a purchaser for value without notice unless such property is disposed of in such a manner as to bring the sale within the provisions of any Bulk Sales Act or similar statute."

Income Tax Problems

Between now and April 30 next business men and investors will be making out their income tax returns. The Canadian income tax law is one of the simplest in the world, yet it yearly produces many problems relating to exemptions, rates of taxation and similar matters.

What problems have you met with in making out your return? If you are in doubt about any points or want the official ruling on matters that are not clearly set out in the governmental regulations send your problem to THE FINANCIAL POST. Enclose a stamped self-addressed envelope and the editors will give you the benefit of their advice.

TARIFF RULINGS

Canadian and Foreign Decisions of Interest to Exporters and Importers

OTTAWA.—The customs department has instructed customs officers that they are not to accept invoices from persons in Canada unless the invoices have a notation from the collector of customs that the goods are not evading dumping duties.

Australia has authorized the admission of extensive electrical plant and equipment at lower rates of duty than those set forth in the tariff schedule for the reason that the equipment in question is urgently needed and is not made in Australia. The following items are now dutiable under item 174 at the general rate of 10 per cent. ad valorem:

Switch gear, transformers and auxiliaries, lightning arrestors, turbines, mechanical excavating shovels of the Bueyrus type, motors, circuit breakers, water circulating screens, metalworking machines, electrically driven air compressors, telegraph and telephone cable, woodworking machinery, and carton-making machinery.

Italy.—The temporary exemption from import duty on wheat has been extended by the Italian Government to June 30, 1924. Wheat has been temporarily free of import duty in Italy since January 31, 1915, having been extended from time to time for periods of 6 months.

Hungary.—Special license must be obtained to import asbestos yarns.

Spain.—By a recent decision of the Spanish Government, Canadian products imported into Spain, formerly subject to the rates of the second column of the Spanish tariff, are now subject to the rates of the first column.

Salvador.—Imports of wood for construction are exempted from the surtax of 1 cent gold per gross kilo levied on all merchandise imported into Salvador by sea.

N.B. EMPLOYERS SEEKING RELIEF ON COMPENSATION

Objection to Medical Treatment and the Rates

From Our Own Correspondent.

ST. JOHN.—At the suggestion of pulp and paper and lumbering interests, the employers of New Brunswick have presented to the members of the New Brunswick government, Workmen's Compensation Board and representatives of labor unions, requests for alterations in the New Brunswick Workmen's Compensation Act. One of the requests is for abolition of medical treatment for those injured, on the ground that physicians often extend the period of incapacitation. Reduction in the pension paid to widows of victims of accidents from $30 monthly to $20 monthly is also suggested. Pension of children of victims of fatalities is asked from $7.50 for each child under the age of sixteen to $5.

Some of the provisions of the act are considered as manifestly unfair. It is pointed out that the pulp and paper industry and the lumbering industry are overburdened by the compensation board, and that efforts should be made to effect a redistribution of industries in the different classes.

The employers also request that, in future, the compensation board seek the opinions of the various associations representing the employers before advancing rates, or making other changes. It has been found that the pulp and paper men and lumbermen have not exhibited approval of a constitution for the New Brunswick Employers' Association, which has secured unofficial ratification from the board. A new constitution has been advocated.

If the abolition of medical aid, otherwise than the treatment administered at the time of the accident, is not granted, efforts will be made to have the employees forced to contribute to the board's compensation scheme. At present the employer is bearing the entire burden. Preceding the conference, the pulp and paper and lumbering executives met in conference, and drafted suggestions that were placed before the provincial government, respecting the administration of the compensation act.

Business Indicators in the United States

WASHINGTON.—The Department of Commerce announces the following figures representing basic commercial and industrial movements in December:

December business indicators based upon the 1913 average as 100 show the following changes from the preceding month, and from December a year ago. Pig-iron production from 113 to 114 as against 121 a year ago; defaulted liabilities from 221 to 227, as against 229; price of 25 industrial stocks from 181 to 187, as against 187; bank clearings in New York city, from 229 to 247, as against 240; clearings for the rest of the country from 263 to 277, as against 263; commercial interest rates from 88 to 86, as against 80.

Gross receipts of New York City in 1923 were $1,034,653,167 and gross payments $1,042,215,057. Revenue bills outstanding on December were $25,002,500, the smallest in a decade.

Annual report of Rockefeller Foundation, Inc., for 1922 shows assets at beginning of last year of $192,204,924 and payments of $15,921,408.

What Canada Sells—and Buys

What does Canada sell to the various countries of the world? And what does she buy? Poring through government blue books to find this information is a ponderous job for the busy importer or exporter, and to make that unnecessary is the purpose of this series of records of the imports and exports of Canada as regards the important nations we trade with.

All imports and exports are shown where the amount exceeds $100,000, and round figures only are given. The record is based upon the 1923 trade figures. Manufacturers and others interested in foreign commerce are urged to save these compilations, which will run for twelve weeks and cover the principal countries of the world.

United Kingdom (Imports)

Canada bought goods valued at $141,300,000 from Great Britain in 1923; this was 17.6 per cent. of our total purchases. Arranged alphabetically our important purchases were:

Beverages, distilled	$17,300,000
Binder twine	600,000
Books	1,500,000
Brass products	500,000
Chemicals, inorganic	600,000
Others	900,000
Coal, anthracite	2,400,000
Bituminous	3,400,000
Containers	1,200,000
Cotton goods	17,900,000
Diamonds	600,000
Drugs	900,000
Electrical apparatus	1,000,000
Flax, hemp, jute	1,100,000
Fruits	600,000
Glassware	1,300,000
Hardware, cutlery	1,000,000
Household equipment	1,500,000
Iron, pig, blooms, etc.	900,000
Iron, products	1,300,000
ute cloth, canvas	1,500,000
Leather, unfinished	700,000
Footwear	400,000
Manufactured	300,000
Linen fabrics	2,600,000
Machinery	1,800,000
Paints	600,000
Paper (boxes, boards, etc.)	900,000
Pottery & china	2,500,000
Rubber, crude	900,000
Manufactured	800,000
Rolling mill products	6,300,000
Salt	400,000
Settlers' effects	1,000,000
Silk goods	2,200,000
Spices	500,000
Sugar products	400,000
Textiles, misc.	5,700,000
Tea	2,800,000
Tin products	700,000
Tobacco	900,000
Wool, raw	2,700,000
Noils, waste	3,600,000
Yarns	4,000,000
Carpets	1,100,000
Fabrics	19,000,000
Socks	2,700,000
Others	4,900,000
Wood, manufactured	300,000

United Kingdom (Exports)

We sold to the United Kingdom a total of $379,900,000 of merchandise or 40.2 per cent. of our export trade. The chief exports were:

Apples	$5,800,000
Asbestos	300,000
Bacon and hams	22,400,000
Barley	7,400,000
Butter	6,400,000
Cattle	2,800,000
Cereals, prepared	10,500,000
Cheese	19,400,000
Chemicals	2,000,000
Clover seed	500,000
Coal	300,000
Copper	1,200,000
Educational equipment	700,000
Eggs	1,300,000
Elect. apparatus	500,000
Films	700,000
Flour	27,200,000
Fruit, canned	600,000
Furs, raw	4,700,000
Hardware and cutlery	300,000
Hay	500,000
Hides and skins	100,000
Implements, farm	300,000
Lard	400,000
Leather	1,000,000
Lobster	2,100,000
Machinery	700,000
Meat, fresh	700,000
Milk, condensed	1,000,000
Nickel	2,700,000
Oats	10,100,000
Oatmeal	1,400,000
Paper	2,800,000
Rubber footwear	300,000
Rye	5,700,000
Salmon	1,400,000
Settlers' effects	700,000
Silver bullion	2,700,000
Sugar	13,600,000
Textiles	1,100,000
Tires	1,200,000
Vegetables, canned	500,000
Vehicles, auto, etc.	9,600,000
Wheat	192,000,000
Wood, lumber	11,500,000
Manufactured	700,000
Wood pulp	4,700,000
Zinc	500,000

This series is now closed. Canada's trade with more than 40 countries has been covered.

THE MOLSONS BANK

Capital and Reserve $9,000,000
Over 125 Branches in Canada.

OUR RECORD

68 Years of Service to the public justifies our pride in the record of The Molsons Bank for stability, service and efficient management. Savings Department at every branch.

Edward C. Pratt,
General Manager
4-923

Robert Cassels W. G. H. Browne
A. M. Brown

Cassels, Browne & Co.

Members Toronto Stock Exchange

601 Colonial Building TORONTO

Direct Private Wire to New York, Chicago and Washington

Canadian Bank Note Company, Limited

Engravers and Printers

Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents

Head Office and Works
224 Wellington Street, OTTAWA

BRANCHES:

Montreal Toronto

LEGAL

PROUDFOOT, DUNCAN, GILDAY & TISDALL
Barristers and Solicitors
LEWIS DUNCAN
Counsel in Bankruptcy
Author of "The Law and Practice of Bankruptcy in Canada."
Federal Building, 85 Richmond St. W., Toronto, Canada.
Cable Address: Proudfoot, Toronto.

PATENTS

S. R. W. ALLEN
Solicitor of Patents
Patents and Trade Marks in all Countries
Validity and Infringement Investigations
11 Place d'Armes, Montreal

CONTRACTORS

Anglin - Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX

SHARP and HORNER
Architects
73 King St. West
TORONTO

THE FOUNDATION COMPANY
LIMITED
ENGINEERS — CONTRACTORS
We are equipped to undertake and carry to completion the most difficult Engineering Construction Contract, specialising in Power Development, Industrial Plant Construction, Dams and Bridge Piers, Shoring, Underpinning, Underwater Construction and Heavy Foundation Work.
DRUMMOND BUILDING
MONTREAL

BEAUBIEN, BUSFIELD & COMPANY
CONSULTING ENGINEERS
2 PLACE D'ARMES, MONTREAL
De Gaspe Beaubien J. L. Busfield

Geo. O. Merson, C.A., A.C.I.S.
W. P. Williams, C.A.
Geo. O. Merson & Co.
Chartered Accountants
807 Lumsden Bldg. Toronto

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a Specialty

WESTERN BOND ISSUES
We Specialize in Western, Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA.

WHERE CANADIAN AND U.S. CAPITAL WORKED TOGETHER

Stories of Big Enterprises That Were a Union of Interests

HOW THE FORD CAME

Canadian Induced Henry Ford to Give Him Canadian Rights to His Patents—Same With Typewriter

From Our Own Correspondent.

MONTREAL.—In the course of industrial development of Canada there have been numerous plants built by Canadians with Canadian capital. And there have been other factories built by Americans with capital from the United States. Another interesting class of enterprises consists of those that have been built by a union of Canadian and American initiative and money.

The Ford Motor Company of Canada may be fairly taken as an example of a gigantic organization which cannot be credited solely to either Canadian or American initiative. When Henry Ford began to play around the streets of Detroit with his gas wagon, drawing the ridicule of his neighbors and the respect of but few, an enterprising Canadian, Gordon M. McGregor, decided that if there was going to be a future in that sort of thing he wanted to get in on the ground floor. He induced Henry Ford to let him have the Canadian rights for the patents. Ford received some of the stock in the Canadian company in return, but McGregor and his later associates controlled the company until McGregor's death a few years ago. Henry Ford's interest in the Ford Motor Company of Canada was only eighteen per cent. of the total. There are now indications, however, that Henry Ford is assuming greater interest in its affairs, and this company is likely in the future to be more thoroughly American in its ownership and control, its shareholders list assuming more closely the characteristics that are present in the case of most other Canadian automobile companies.

Another Motor Union

In somewhat similar fashion, the General Motors Corporation of Canada has grown out of the McLaughlin Motor Company, an organization founded by a Canadian. This Canadian, the late Robert McLaughlin, and his sons, acquired Canadian rights to some of the cars made by the General Motors Corporation, and later the whole business was reorganized as the Canadian subsidiary of the General Motors Corporation, with American capital predominating, but with Canadians in charge of operations and sales.

The Willys-Overland Company of Canada operates a plant that was formerly owned by a Canadian company, and that built an individual Canadian car. The company is now jointly owned by the former company—the Russell Motor Company—and the Willys-Overland Company of the United States.

In 1892, the Underwood Typewriter came to Canada in a fashion similar to the arrival of the Ford Motor car. In 1892, when the inventor Underwood was trying to put across his new writing machine in the United States, a young telegraph operator in Hamilton, J. J. Seitz, by name, heard of it and asked Mr. Underwood for the Canadian patent rights. Canada was not considered much of a field of operation, and the patents were readily granted to the Canadian, who had some previous sales work on another typewriter during his spare time. But, out of this young Canadian's work, grew the large and important United Typewriter Company, of which he is the president. The Underwood Typewriter Company never found it necessary to etablish a subsidiary corporation in Canada. The United Typewriter Company has continued to handle all its Canadian business, and the company is largely Canadian in ownership, it is understood, although the chief owners of the Underwood Typewriter Company have a stock interest in it.

Story of General Electric

One company that started out as a union of Canadian and American capital and later became almost entirely Canadian in ownership was the Canadian General Electric Company. This organization owed its inception to the far-sighted genius of the late Senator Frederick G. Nicholls, who saw the possibilities of growth that were before the electrical industry, and made arrangements with the General Electric Company to use their name and patents in Canada. After his death, however, the company was acquired by the General Electric Company of the United States, first by the purchase of blocks of stock in the open market, and, later, by a transfer of shares.

Bell Telephone a Joint Unit

The Bell Telephone Company of Canada, representing an investment of around $75,000,000, is an interesting example of industrial development in Canada where American and Canadian capital have joined harmoniously to promote expansion. The unity of interest has been so pronounced that it would be impossible either to state that Bell Telephone is a subsidiary of an American corporation or to state that it is a strictly Canadian enterprise. The telephone was invented by Professor Bell in Canada. He gave to his father, Professor Melville Bell, a three-fourths interest in his Canadian patents, and around these patents various little companies were built up. Competing companies operating under the Edison patents came into the field, but in 1880 the Bell Telephone Company bought out all the competitors and started telephone development off on a sound basis. Theodore Vail, who built up the American Telephone and Telegraph Company, was in the Canadian enterprise from the beginning. As time went on, and the business expanded, many issues of stocks were made, and these were divided between Canada and the United States. The American company, the A. T. and T., still holds a large interest in the company, and the interests of the Canadian company are thus closely linked with the interests of telephone companies all over the continent. Yet the American holding is a minority interest.

Recently, British capital took a more pointed interest in Bell Telephone affairs, when a large British insurance company made an important purchase of stock from the company at the open market price.

It is interesting, too, that the ownership of the Northern Electric Company, prominent company manufacturing electrical apparatus, is divided between the Bell Telephone Company of Canada and the Western Electric Company of the United States, which is in turn controlled by the American Telephone and Telegraph Company.

Canada Needs Men and Capital Lower Taxes Will Draw Both

It is Esesential That Canadian Taxes be Reduced, Says President of C.P.R., and This Can Only be Done by Careful Economy—Immigration Opportunities are Still Open

By F. W. BEATTY, President of Canadian Pacific Railway in Address Before Toronto Empire Club.

What we are suffering from, and it applies equally here as in the Far West, is lack of men, lack of capital, and lack of those forward policies which will enable the country to realize within a reasonable time its own manifest destiny. For several years public men and leaders in business life have been advocating immigration, and still more immigration as the greatest immediate necessity of this country. Our policies have been evolved very slowly, and the evolution of them is not yet complete. Our progress has been disappointing, especially in comparison with the progress made in the other British Dominions. At first, two objections were urged; the fact that there was considerable unemployment in the country, and the fact that our great farming community was not prosperous. People urged upon the government the non-necessity, in fact, the unwisdom of bringing laborers to Canada when there was a surplus of labor. They urged with equal vehemence that new land should not be put under cultivation when many of our Western farmers were conducting their operations at a loss. The combination of the two representations stayed the hand of the government and little or nothing was done. We unconsciously forgot in our unwise caution our faith in the ultimate future of the country, and we ourselves became the worst advertisers of the country. We forgot too that what we were not doing, other Dominions were, with the result that in the past three years many thousands of immigrants, the pick of the English, Welsh, and Scotch races, were induced to migrate to Australia and New Zealand, and even South America, countries which did not and do not offer better opportunities than the Home Land. Many men remain to come forward, but those that have gone and whom we have lost, were undoubtedly of a quality and character which would have made them very welcome citizens of this country.

Opportunity Not Past

But the fact that we have been slow in putting an aggressive policy into operation, and in creating an organization which is necessary to make any measures effective, does not mean that the opportunity is lost. Great Britain, the United States, Scandinavian countries, and portions of Southern Europe, offer to this country many desirable immigrants of both the farming and artisan classes, whose advent to Canada could not help but enrich it commercially, economically, and, in time, spiritually. I would not care to be grouped with those who advocate the immigration to Canada only of those of the farming classes or who desire to become farmers. I regard it just as essential that the door should be thrown open to clean, healthy, working men of any class, because it is inconceivable that this country can reach its objective in the way of commercial prosperity unless there is a free market of desirable labor to supply our industries and add to the market for the produce of our farms.

When I say this, however, it must not be forgotten that Canada's wealth is in a great measure confined to its natural resources. Agriculture, mines, fisheries, and forests are, in the main, the source of our national wealth, and no one can deny the pre-eminently important part that agriculture plays in many parts of the country. The land is there, it is fertile land and men are not on it. It is not being worked so as to produce wealth for the country. It is estimated that there are twenty-five million acres of vacant land within fifteen miles of existing railways in Western Canada. There are many vacant farms in Nova Scotia and New Brunswick. There are many in Quebec. Can it be contended, with this great latent wealth lying dormant and contributing nothing to Canada's wealth, we are taking full advantage of the opportunities which nature has given us? Can it be contended that our minerals will be developed, that our forests will be utilized, and that our enormous fishing possibilities can be properly exploited and that new industries can be created and present industries extended unless there are men and money available to do it? If we admit the presence of these latent resources and their non-use, we must concede that our case is akin to the biblical example of the man who buried his one talent.

Need of Tax Reductions

But if the necessity of immigration is apparent, there is another corrective element to be considered in connection with our own economic conditions. The taxation of this country is heavy. Not heavy in relation to many other countries, but heavy considering the sparseness of our population, and the fact that the country's wealth is largely potential. Some of them are direct imposts, the burden of which is always present in our minds because they are unescapable, and involve periodical drafts upon our individual exchequers in ways that are not concealed. Heavy income taxes, being most direct, are probably those taxes which are most severely felt, and a man who is heavily taxed becomes in time disgruntled and even a poor citizen.

It is essential that our taxes should, both because of what is happening in the United States, and because of the financial support we must receive from our own people, if Canadian enterprise is to be developed, be reduced as soon as that may be properly done. And they can only be reduced if strict scrutiny of, and reduction in, our national and provincial and municipal expenditures is made. I know the necessity of this is keenly appreciated by our public men, and probably by no one so deeply as the distinguished minister of finance.

We Must Economize

Economy is not an attractive word, nor an exhilarating slogan. People are never disposed to cheer the speaker who advocates retrenchment. Spending is always more attractive and, therefore, more popular. We will never, perhaps, escape the necessity of large expenditures, but such as are reasonable must, I think, for the next few years, be of a productive character. We should spend for the purpose of development or for the purpose of securing greater economy. We should not, however, embark on any capital expenditures of doubtful value or those which might be termed luxuries. If, in the course of two or three years of rigorous scrutiny of national, provincial and municipal budgets, our total expenditures are reduced even from 25 to 30 per cent., we will have reduced our annual financial necessities to a point which would permit us to consider a reasonable reduction in the country's tax imposts. When that time arrives we will be able to say to ourselves that by our own efforts and sanity we have not only lightened our own burdens, but offer still further inducements to those who appreciate living in a country which expects a moderate amount from its citizens, who will, therefore, be in a position to assist in its own advancement.

The attention of the railway companies has recently been called by public bodies to the advisability in their opinion of reducing wages and salaries in order that freight rates should be reduced. No group of men could possibly be more convinced of the necessity of the reduction of railway operating costs than the Canadian railway managers. Our struggle has been to prevent greater inflation, because, as you know, the major portion of railway expenses is, in the main, uncontrollable, fixed for us by market conditions as far as material is concerned, and determined in many cases by independent tribunals in the case of wage adjustments. While the relative position changes from time to time a comparison shows that the percentage of wage increases since 1917 still exceeds by a substantial amount the percentage of the increase in the cost of living during that period. By a peculiar anomaly, wages in this country and in the United States are fixed with relation to the cost of living, but unfortunately high wages is one of the elements which contributes most largely to high cost of living. So long as wages are high, therefore, the cost of living will be high. It is difficult, however, to convince tribunals that in their pronouncements on this subject they have really got the cart before the horse, and so long as the cost of living is the basis for fixing wages, wages will be high, because it cannot be substantially reduced if the wage scales are disproportionately great. In recent years there has been a lamentable lack of interest on the part of the public as to whether wages or costs were high or otherwise, and also a discouraging lack of support in the face of possible strikes or other embarrassments in consequence of the effort of employers to bring wages down. We, in Canada, have suffered too by the extraordinary, and, some observers think, temporary, prosperity in the United States, which has, in effect, meant more inflation, and has tended by its reflected influence to keep up wages in Canada, where the conditions of commercial prosperity did not exist to the same extent.

The Grain Movement

OTTAWA. — Preliminary figures showing the grain receipts at the head of the lakes, also Vancouver, B.C., for the period from September 1st, 1923, to January 4th, 1924:

	Fort William and Port Arthur	Vancouver
Wheat	220,840,049	13,918,263
Oats	23,905,443	98,134
Barley	9,515,136	......
Flax	8,284,756	......
Rye	3,919,468	121,817
Total	261,464,852	14,138,214
Same period 1922	226,516,639	7,650,587
Increase over last year	34,948,213	6,487,627

Accounts Receivable
are often more difficult to collect promptly than drafts drawn on and presented to your customers.
Our facilities for handling collections, through our 526 branches and numerous correspondents in all parts of the world, are second to none. 696
THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

A Monthly Business Review
YOU will find our Monthly Letter—a review of agriculture, trade and finance in Canada and abroad—of considerable value to you in your business.
A request to our Local Manager or a postcard to Head Office, Montreal, will place your name on our mailing list.
The Royal Bank of Canada
G 313

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. [illegible], Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Millar, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

CLARKSON, GORDON & DILWORTH
CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
TORONTO MONTREAL
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

From Generation to Generation
Since 1856 this Bank has gained the experience of many different phases of Canada's industrial and business development.
Those who at present carry on the work of the Bank regard this experience as a precious asset to be handed on to future generations, enhanced in usefulness and more broadly developed.
When you bring your business problems to The Bank of Toronto, you are assured of sound advice and competent assistance from matured experience, and good banking service.
Our nearest Branch Manager will be glad to discuss your business problems with you.
THE BANK OF TORONTO
Incorporated 1855
JOHN R. LAMB, General Manager
176

Public Confidence
in this institution has been a large factor in enabling it to attain to the position of Canada's premier Mortgage Corporation.
It offers to depositors every phase of Savings Account Service, based on the experience of nearly seventy years, combined with absolute security.
An account may be opened with One Dollar or more and full chequing privileges are allowed.
CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street, Toronto. *Established 1855*
Paid-up Capital and Reserve Fund, $14,000,000.
Investments exceed $42,000,000.

PROFITABLE EXCHANGES

Some Government, Municipal and Corporation Bonds are selling out of line with the general market and the proceeds from these may be reinvested advantageously.

Such exchanges are profitable and in keeping with a sound investment policy only when security and marketability are not sacrificed for income return.

We Offer Our Services.

DOMINION SECURITIES CORPORATION LIMITED

HEAD OFFICE: TORONTO 26 KING ST. E.
MONTREAL ESTABLISHED 1901 LONDON, ENG.

News and Views for Investors

OGILVIE

The past week saw the first sale of the year in Ogilvie Flour, two shares changing hands at 320. The last sale in 1923 was on December 14, 30 shares at 115. The outlook for milling shares is said to have improved because of the betterment of export conditions. Maple Leaf common shows a steady advance and accumulation and the same reason is advanced.

WINNIPEG ELECTRIC

As an evidence of the wide fluctuations to be expected in some issues over a fair period of time, it might be pointed out that Winnipeg Electric (com.) now selling around 30, sold at 269 in 1912. The dividend then was 12 per cent. and was stopped in 1915 and none paid since. The light and power end of the business is doing well. In 1922 it sold as high as 46½. The stock has a greater book value than its present market price. Expected franchise troubles with the city of Winnipeg on the street railway agreement has been a depressing factor.

TORONTO RAILS

The outlook for Toronto Rails continues uncertain. Periodically a new crop of reports about the fate of the proposed appeal to the privy council comes out. The latest is that the city's appeal will go on. One well-informed broker recently informed his clients that if the present award is upheld in the courts the stock should be worth about twenty-five points more, but in the case of a delay in settlement, it might be better to wait until a definite date for the hearing before the privy council is settled.

OILS BEING WATCHED

Crude oil prices continue to advance with the result that an increasing attention is being focused on the oil stocks. Many houses are advising clients to purchase oils to hold until spring. They figure they will do better then. It is predicted that they should be market leaders, because the depression in the oil industry has been passed. Crude oil is advancing in price. Consumption is overtaking production (the reverse of 1923). Gasoline prices are also advancing.

ASBESTOS CORPORATION

The huge asbestos merger for Quebec planned months ago is still doubtful with situation rendered acute by the Bennett-Martin failure. Two smaller mergers are advocated. One, formulated by a banking house, calls for consolidation of Bennett-Martin and Consolidated Company with Asbestos Corporation. Another, advocated by Jacobs interest, would merge Black Lake Corporation, Asbestos Mines and Pennington property. Banks are involved to the extent of several millions and consequently are pressing for a big consolidation which might place the industry on its feet.

OTTAWA RIVER POWER

Ottawa River Power development is progressing satisfactorily. The company has placed an order for electrical and hydraulic equipment for the first unit of 25,000 horse power. The order for the generator was placed with the Canadian Westinghouse, and the turbine with the Vickers Company of London, England. The order for high tension switching was placed with the Canadian General Electric Company. In connection with the sale of the $3,250,000 6½ per cent. bonds, it is understood that over three-quarters of the issue has been sold privately by Nesbitt, Thomson & Co., but that this house intends making a public issue shortly to give the investing public an opportunity to purchase this hydro-electric bond carrying a bonus of common stock.

WILLIAM DAVIES

Twenty shares of William Davies (A) changed hands during the past week at 20. This is the first sale since November and marks a decline of 5 points in the price since that date. The 1923 high was registered a year ago this month when the issues were traded in at 36½. The outlook for the packing industry is better than it was a year ago, but it is facing a long pull. The development and holding of a large export trade will be the salvation of the industry in the Dominion. Keen competition in England has been a stumbling block and the situation was aggravated by the wartime experiences which seriously hampered the progress of the Canadian houses.

ABITIBI POWER AND PAPER

The Abitibi Power and Paper Company enjoys natural advantages which place it in an exceptionally favorable position. Entering a territory that had been newly opened up by the extension of a railway line, it acquired a large territorial reservation of timber lands in one block, made accessible throughout by natural water courses. Although the location is literally in the wilds of Northern Ontario, the transportation facilities bring it within 22 hours of direct train service to Toronto. As the greatest demand for newsprint is from the newspapers of the large cities of the eastern and middle States, the Abitibi plant is centrally located for a ready distribution of its product, says a letter of Bougard & Co. The management of the Abitibi Company are operating with a knowledge of the difficulties that have beset the industry in the past. Therefore the protection of forest reserves, selective cutting and reforestration go hand in hand with production. The physical development of the property includes the construction and extension of logging lines for the winter supply of raw material to the mills, resulting in a large saving in cost as well as in interest and insurance.

Good Industrial Stocks Are Coming to Front

The yield of high-class bonds is steadily becoming closer. Considerable attention, as a result, is being focused on investments among good yielding preferred stocks. A. D. Morrow & Co. recently sent the following list to their clients:—

	Rate	Price	Yield
Canada Bread pfd..	7%	95	7⅜ %
Robert Simpson pfd.	6%	90	6 2-3%
Maple Leaf pfd. ..	7%	87	8 %
Winnipeg Elec. pfd..	7%	85	8.23%
City Dairy pfd.	7%	104	6¾ %
Canada Cement pfd.	7%	104	6¾ %
Steel of Canada pfd.	7%	100	7 %
Penmans pfd.	6%	96	6¼ %
C. G. E. new pfd. (par $50)	7%	54	6½ %
Consumers Gas	10%	160	6¼ %
C. P. R.	10%	152½	6.55%
Mackay (com.)	7%	116	6.03%
Mackay pfd.	4%	67½	5.93%
Goodyear Tire pfd..	7%	81	8 2-3%
Spanish R. Pulp pfd.	7%	107½	6.51%

Much satisfaction is felt in Winnipeg concerning the tax collections for 1923. The total of $10,008,006 as against $9,691,416 for 1922, represents an increase of $316,590.

Public Utility Earnings

Ottawa & Hull Power

	November.	Four mos. Ending Nov. 30, 1923
Gross earnings ...	$27,926	$111,837
Opr. ex. incl. taxes	5,055	21,733
Net Earnings	$22,921	$ 90,103

Laurentian Power
8 months to No. 30, 1923

Gross Earnings	$138,197
Operating Expenses..	49,089
Net Earnings	$ 89,108

East Kootenay Power
11 months ending Nov. 30.

Gross	$163,768
Operating	28,138
Net Earnings	$135,630

Canadian Pacific Railway

	1923	1922	Change
Jan. 7	$2,986,000	$2,968,000	+ $18,000

UNLISTED SECURITIES

	Bid	Asked
Alta. Pac. Grain, com.	98	102
Alta. Pac. Grain, pref.	88	91
British Mrge. & Loan	200	..
Collingwood Ship., com.	45	58
Can. Machinery, pref.	20	25
Can. Mortgage & Inv.	64	..
Can. Oil, com.	39	42½
Can. Oil, 8 p.c., pref.	90	92
Can. Westinghouse	..	132
Capital Life, 20 p.c., pref.	22	26
Cockshutt Plow, 7 p.c., pref.	42	44
Continental Life	25	..
Cosgraves Breweries	..	5½
Commercial Finance, pref.	60	..
Crown Life	98	..
Dom. Power, pref.	95	96½
Dom. Power, com.	38	39½
Dom. Sewer Pipe, com.	24	30
Dom. Sugar	200	..
Dunlop Tire, 7 p.c., pref.	81	84
Durant Motors	6	7
English Elec., com.	9	10½
English Elec., pref.	48	50
Excelsior Life, 26 p.c., pref.	32	..
Famous Players, 50 p.c., com.	72½	75
Farmers Dairy	60	..
Great West Life	220	..
Gunns, Ltd., 7 p.c., pref.	32½	35
Hamilton Pantages, com.	1½	..
Hamilton Pantages, pref.	40	..
Imperial Tobacco, com.	5	7
Int. Milling, pref.	93½	95
K. & S. Tire, pref.	24	26
K. & S. Tire, com.	75	1.00
Canada Starch, pref.	..	54
La Paz Oil	07	15
Lambton Golf Club	425	460
Loew's Buffalo, pref.	50	53
Loew's Buffalo, com.	1	1½
Loew's Hamilton, pref.	39	..
Loew's London, pref.	6	6½
Loew's London, com.	2½	3
Loew's Ottawa, pref.	19	24
Loew's Toronto, pref.	67	70
Loew's Toronto, com.	35	38
Manitoba Power, com.	18	21
Marconi Wireless	90	1.25
Massey-Harris	..	37
Manufacturers Life	55	58½
Mercantile Trust	100	..
Mtge. Disc. & Fin.	8	10
Monarch Life, 10 p.c., pref.	10	12½
Neilson, Wm., pref.	95	..
National Brick, pref.	50	53
National Brick, com.	12	15
North Mex. Power, com.	9	10
Ont. Equitable Life	18	22
Robt. Simpson, 6 p.c., pref.	88	90
Robertson, P.L.	15	25
Sterling Bank	88	91
Sun Life, 50 p.c., pref.	173	..
Sun Life, 35 p.c., pref.	125	..
Toronto Brick, com.	28	..
Toronto Brick, pref.	75	..
Toronto Carpet, com.	99	..
Trusts and Guarantee	68	71
Western Assurance	7	7½
Western Grocers, pref.	30	32
Willard's Chocolate, pref.	..	80
Famous Players, com.	7	..

MARKET FAVORING INDUSTRIALS; 1924 OUTLOOK IS FAIR

Fair Year's Business in Sight For Construction and Steel Concerns

BANKS IN DEMAND

Investment Buying Puts This Group to Front—Textiles, Papers, and Tractions Are Weak

There is a general feeling abroad that 1924 will be a fair business year. The measure of prosperity which will be enjoyed will depend on the activity of the various construction industrials, such as building, iron and steel, automobile, railway equipment builders, etc. That good business is to be expected in these lines is being reflected in the stock market. There has been no general advance in these groups, but they are all standing firm, while some of the more favored members of these groups have scored material advances.

Quite a number of these houses entered the year with a fair booking of orders on hand. Many of them expect quite heavy orders. It is expected, for instance, that municipal construction programs will be on a larger scale this year than last. Much new financing for the 1924 program is already being considered. This will help the construction group. The railways are expected to place at least as large orders for new equipment and rails as they did last year. This will aid the several large concerns catering to this branch of industry. Most of these are still working on parts of their old orders, and some of them are booked right up to spring. Glancing through the table below it will be seen that the groups concerned in this outlook, the industrials and steels, are really the stronger groups of the market. The banks are leading in strength, due to the demand for these issues for investment. Papers are weak. Milling shares show strength, due to the general improvement in the export trade and the outlook for the industry. Tractions and textiles are weak.

Moderate business for the future seems to be the outlook. Discussing the situation, the Cleveland Trust says:

"A contest is going on in general business and in the security markets between declining industrial production, which tends to slow down business activity, and easy money rates, which operate to stimulate it. Last March we reached the peak of a business boom, and if developments of the following months had followed the precedents of other similar periods in the past it would have been reasonable to expect a substantial decline in trade.

"The normally expected developments have so far worked out only in moderate degree. Industrial production has declined, and its general trend is still downward, but this has been a very gradual slowing down. Interest rates stiffened a little in the autumn, but not much. They are now falling slowly and we have a combination of easy money with business moderately good, and no very decided trend of either factor under way. This general condition bids fair to continue for some months to come."

The trend of the market for the past week is shown in the following table:

	Total	Gains	Losses	Unchg.
Banks	11	6	3	2
Paper	9	0	5	4
Steel	12	4	1	7
Milling	7	3	1	3
Utilities	11	4	1	6
Trans	2	0	2	0
Tractions	12	2	5	5
Textiles	9	2	3	4
Industrials	18	4	3	11
Totals	91	25	24	42

Transactions in bank shares have been heavy, and some important advances were recorded. The week's opening and closing prices and sales follow:

	Open	Close	Sales
Commerce	187½	187½	91
Do. (new)	...	184	...
Dominion	181	182	203
Hochelaga	147¾	149	210
Imperial	179	176	113
Molsons	155	159	85
Montreal	247	244	101
Nova Scotia ..	250	249	86
Royal	212	212½	58
Standard	167	168	180
Toronto	176	176½	150
Union	105½	105½	20

Montreal Trust Year Was Best on Record

From Our Own Correspondent.

MONTREAL.—Concluding the best year in its history, the Montreal Trust Company has raised its dividend rate from 12 per cent. to 14 per cent. Earnings were $260,122, compared with $238,774 last year. Distribution of earnings compares as follows:

	1921	1922	1923
Earnings ...	$216,753	$238,774	$260,112
Res. for tax	12,775	15,831	18,597
Subscription	2,000	2,000	2,000
Net prof. ...	$201,977	$220,943	$239,515
Bal. for. ...	150,713	252,691	353,635
	$352,690	$473,634	$593,150
Dividends . .	100,000	120,000	120,000
Balance	$252,691	$353,634	$473,150

Total estates under administration, together with trusteeships for bond issues amount to $675,000,000, an increase during the year of about $83,000,000. Total assets are $3,814,459.

MONTREAL TRAMWAYS

Montreal Tramways & Power Co. has received several bids for new issue of bonds to replace $7,300,000 bonds maturing in New York on March 1st. Portion of new issue likely to be offered in Canada.

New Dominion Power Preferred Stocks Issue

From Our Own Correspondent.

MONTREAL.—In connection with the offering of $250,000 of preferred stock of Dominion Power and Transmission Company, Hamilton, an estimate of earnings for the year just closed is given. This is as follows:

Gross and net earnings for the year ended December 31, 1923 (month of December estimated):

Gross earnings	$4,023,900.72
Operating expenses	2,969,642.59
Balance	$1,054,258.13
Fixed Charges	449,600.45
Surplus	$ 604,657.68
Preferred dividend requirements	275,177.00

The new issue of stock, which brings the total of preferred outstanding to $3,931,100, is being offered by Nesbitt, Thomson and Company at 99.

WILL SPANISH TRY REFUNDING SCHEME?

Company Could Effect Big Savings in Interest by Re-arranging Debt

From Our Own Correspondent.

MONTREAL.—That Spanish River may work out a broad refunding operation that would do away with the necessity of paying 10 per cent. of its dividend disbursements to bond holders, is the suggestion now under discussion. Last year holders of the various six per cent. bonds of the company received $140,000 in dividends, and as one of the issues does not mature until 1941, it has been worked out that some $2,500,000 will have been distributed in this manner during the period before maturity if the issues are not redeemed. The figure would be much larger if the dividends were increased, and it is understood that the fact that a portion of all dividend payments is required to be paid to bondholders has been an effective bar to an increase in the company's dividends.

Of the three six per cent. issues, the $2,500,000 of Spanish River 6's due 1931 are callable at 110; the $5,000,000 of Lake Superior's 6's due 1941 are callable at 105 and the Ontario Pulp 6's of 1921 are not callable. Most of these are believed to be in friendly hands, however. There are also other bond issues including $1,486,000 of 6 per cent. mortgage notes and $3,000,000 of 8 per cent. general mortgage bonds. Both issues are callable.

Discussing the proposals for the refunding arrangements The Financial Service says:

"One suggestion is that the Spanish Company has made such steady progress and has such staple earnings, that it would have little difficulty in calling in all its present bonds and notes and refunding them by a second series of the General Mortgage Bonds on a 6 per cent. basis, the new series becoming then a first mortgage issue.

"The annual interest charges under such an issue would be $780,000 as against present disbursement of $784,380 on the bonds and notes plus proportion of dividend paid to bondholders of $140,517, a total of $924,897. This would show an annual savings of $144,897 applicable to dividends, and, more important still, would enable the company to increase its disbursements to the shareholders without having to pay one dollar in every ten of such disbursement to the bondholders.

"The whole arrangement would be a most favorable development to the shareholders, the preferred as well as the common, for the former participate in all disbursements to the common shareholders after 7 per cent., the present rate, on the common, a fact that many shareholders do not realize the importance of."

FERGUSON REPLIES TO SIFTON

Commenting on Sir Clifford Sifton's statement that government banks are not sound, Premier Ferguson makes the statement that so far as the Ontario Savings Offices are concerned, the provincial government is not in the banking business in the real sense of the word, but merely has a number of subtreasuries for the reception of savings deposits.

Current Events in investment circles

Our Monthly Investment Bulletin condenses the latest happenings in the investment world in a few pages. Analyzes conditions of leading companies, gives quotations of representative Canadian issues.

Worth fyling for reference and for checking the trend of your investments.

Let us put your name on our mailing list.

NESBITT, THOMSON and Company, Limited
305-7 Bank of Hamilton Bldg.
TORONTO
Montreal Hamilton
London, Ont. Winnipeg 273

A Colossus of Industry

"The Plant Is Never Idle"

Every home and industry in Canada is a market for Greening Products. The Company makes:

Metal Screens for:
Machinery Guards
Window Guards
Iron Window Frames
Boat Railings
Wire Doors
Office Railings
Belt Guards
Cashiers' Cages
Coal Screens
Sand Screens
Mining Screens
Poultry Netting
Door and Window Screens
Cement Plants
Stock Netting
Smoke Box Netting
Milk Strainers
Threshing Machines
Locomotive Stack Netting

Perforated Steel, Iron, Brass, Copper, Tin, Zinc, Monel and Special Metal for:
Mining Operations
Coarse Screens
Household Articles
Fanning Mills, Flour Mills
Grain Separators
Rice Mills, Bee Hives

Wire Cable and Fittings for:
Bridges
Hoisting Engines
Hawsers, Tiller Ropes
Transmission and Haulage
Pit Mining
Galvanized Wire Products
Locomotive Switching Ropes
Armour Clad Cable

Chains:
Halter Chains
Dog Chains
Trace Chains
Hammock Chains
Etc.

FEW, if any, industries in Canada have a greater number of outlets for their products than has The B. Greening Wire Company, Limited, of Hamilton, whose 7% Cumulative and Redeemable Preference Shares we recommend as a conservative investment.

The diversity of its products may be judged from the list which appears at the side. The quality of these products has won for them the dominant position in the Canadian market and has earned a profitable market in the United States, in Australia, and in South Africa.

This, no doubt, is due to the experience and success of the management, the business having been operated by three successive generations of the Greening family. The present managers have directed its affairs for the past twelve years, during which time they have made an excellent record for earnings. That their Manufacturing and Sales Policies have been highly profitable the following statement of assets, working capital and earnings will show.

Earnings—26% average for 10 years

The record of its earnings is remarkable. For ten years past, after paying all operating, maintenance and present funded debt interest charges, they have averaged annually 26% on the total amount of the present Preference Share Issue.

The Company has no Bank indebtedness. Total assets are certified to be equal to more than $200 for each $100 Preference Share issued. Net current assets are certified to be more than $100 for every Preference Share.

It is our opinion, based on exhaustive enquiries and reports, that this 7% Preference Share Issue is a conservative and sound investment, yielding a substantial annual income. Application is to be made to list the Shares on the Toronto Stock Exchange. We offer these Shares for immediate subscription at:—

Price: 95 to yield about 7.40%

Dividends free from Normal Federal Income Tax.

Æmilius Jarvis & Co. LIMITED
Established 1891.

293 Bay Street, Toronto | Transportation Bldg., Montreal | Royal Bank Chambers, London | 48 Sparks Street, Ottawa

Information contained in this advertisement has been secured from official and reliable sources, although not guaranteed.

ECONOMY

Economy at the expense of quality is like—well, it isn't like anything, and least of all, like economy!

THOMPSON - STARRETT COMPANY, LIMITED

Building Construction

Regent West Adelaide Near Yonge

WEEK OF JAN. 21

Cameron Matthews English Players

In The Celebrated Melodrama

"Bulldog Drummond" by "Sapper"

as done by A. E. Matthews and H. B. Warner

MATS. THURS. & SAT. Performances at 2.30 & 8.30.

Now Playing "Man and Superman"

Canadian National Railway

BONDS & DEBENTURES

WE OFFER C. N. R. FULLY REGISTERED DEBENTURES, maturing May 6th, 1930, at a price to return an increase in capital of

OVER 13% SIMPLE INTEREST Per Annum for Six Years

THESE debentures are secured by a mortgage on Railways and undertakings owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.

THE profit on this investment is accumulative until May 6th, 1930, and as such is NOT SUBJECT TO INCOME TAX.

Orders received subject to confirmation or change in price. Write for particulars.

G. A. STIMSON & CO.

Limited

24-26 King St. E., Toronto.

Established 37 years

We trade in

UNLISTED STOCKS AND BONDS

G. C. Williams & Co.

6 King St. W., Toronto

Phones: Adel. 1762-2045-4521

THIS BOND Yields.... 8%

The issue is a First Mortgage on property and real estate valued at $1,799,000. This is equal to over seven times the amount of the issue. Earnings are at the rate of four times total interest charges. The security, therefore, is ample. In addition, the Principal, the Interest and the annual Sinking Fund are guaranteed. Payable in New York and Montreal.

Why not obtain full particulars to-day?

CREDIT-CANADA

Limitée

Established 1910

120 St. James St., Montreal

SEND ME CIRCULAR C-1

Name ....

Address ....

RIORDON COMPANY

The Government at Ottawa, has turned down the proposal of the Riordon Co. to take over extensive property formerly owned by the Edwards Company in Ottawa, in lieu of taxes due by the Riordon concern to the government.

It is stated that the property is not needed and if it were, tax payments in the way would open up a questionable precedent.

Pulp and Paper Securities

FOREIGN PAPER MAKERS IN THE STATES MARKETS

Effect Competition in Better Grades and Sulphite

From Our Own Correspondent.

NEW YORK.—American papermakers are again giving considerable thought to the subject of foreign competition. Foreign shipments of paper of all kinds increased very heavily during the past year and the low prices the foreign manufacturers have been quoting not only in the United States but in those adjacent markets the Americans are accustomed to regarding as their own, have been decidedly disturbing to both the domestic and export markets.

But if the papermakers have been disturbed by the competition from foreign sources, the sulphite pulp industry has been almost disrupted. Shipment of Scandinavian sulphite into the United States at low prices have been increasing steadily during the past few months. The result has been that in certain pulp manufacturing districts in the North-eastern States, most of the makers of sulphite pulp have been forced to close down and those that have continued to operate their plants are doing so on short time.

While there cannot be any doubt that newsprint prices during the past year have been affected by foreign competition from overseas, it is that branch of the pulp and paper industry making higher grades of paper that seems to have been most seriously affected by the lower priced overseas paper. The Scandinavian makers of newsprint are no longer regarded as a serious menace by the American manufacturers. A year ago they were so regarded but the trouble a number of American publishers have had during the past year with the Scandinavian paper appears to have driven the overseas makers of newsprint permanently from the American market.

Local authorities apparently regard the announcement of the liquidation of the Newsprint Paper Corporation, made during the past week, as convincing evidence of this fact. This corporation, organized by G. F. Steel, well known in the Canadian paper industry, was formed to market Scandinavian newsprint in this country. While according to announcements made in the trade press, the reason for the liquidation was to be found in differences of opinion, between the overseas manufacturers and the corporation, most American newsprint manufacturers appear to believe that the real reason for the Corporation's liquidation is to be found in the failure of the overseas makers of newsprint to handle their American business to the satisfaction of the American publishers. Poor paper, badly damaged shipments, and the extreme difficulty of effecting adjustments with manufacturers many thousands of miles away have apparently convinced many American publishers that, the low price of overseas paper to the contrary notwithstanding, it is advisable to buy either American or Canadian paper.

Sulphite Competition

In the market for sulphite pulp, however, the situation so far as overseas competition is concerned does not appear to have worked out so satisfactorily from the point of view of the American manufacturers.

As will be seen from the following statistics, the imports of sulphite pulp during recent months have increased materially as compared with the same months last year, the increase in imports from Scandinavian sources being particularly marked:

Imports of Sulphite Pulp (000 omitted.)

		1923	1922
April	Total	$3,274	$2,857
Norway		471	
Sweden		116	
Finland		557	
May	Total	3,622	2,178
Norway		599	
Sweden		93	
Finland		355	
June	Total	4,944	2,515
Norway		354	
Sweden		1,405	
Finland		603	
July	Total	3,629	3,235
Norway		313	
Sweden		1,057	
Finland		126	
August	Total	4,416	3,242
Norway		342	
Sweden		1,057	
Finland		309	
September	Total	3,800	2,680
Norway		504	
Sweden		1,247	
Finland		351	
November	Total	4,171	5,022
Norway		433	
Sweden		1,188	
Finland		219	

The only way in which American manufacturers can hope to escape the disturbing effects of overseas competition in both the pulp and paper markets will be through some marked revival of the demand for both commodities in the European market. This appears to be the opinion of the better informed members of the paper trade. As evidence of this they point to Germany which appears to be maintaining her production at its normal pre-war level in face of a rapidly declining demand in the German market. The Germans are apparently capturing the European market to a great extent, according to local manufacturers with foreign connections, and are forcing the Scandinavians to market their products to a great extent overseas. Hence the Scandinavian competition in the American market.

ST. MAURICE WILL DOUBLE CAPACITY OF PAPER PLANT

Shows Faith in the Future of Newsprint Industry

From Our Own Correspondent.

MONTREAL.—It is a question of serious importance to investors, this one of the rates of production and consumption of newsprint. Last week opinions were quoted from various newsprint men, some inclined to feel that there would be a market for the entire production of the year 1924, others that consumption might fall off with a consequent drop in prices.

On the whole, the opinion is that during 1924 Canadian mills will have no difficulty in marketing their product around present levels. Looking into the more distant future, though, it is possible, but by no means assured, that there may be a reaction from the present high rate of newsprint consumption, brought about by 70-page daily papers, and unprecedented advertising expenditures—and that this will affect the position of the Canadian mills for a time. But as few of the newsprint stocks have shown any recent tendency to advance it would seem that this has been to a large degree discounted by investors.

While newsprint consumption may have its ups and downs there is no doubt about one point; that the newsprint industry in Canada is soundly built and in a position to hold its own with United States and foreign mills. As a C. P. R. bulletin put it this week: "Present indications would seem to justify the rapid expansion of the newsprint industry in Canada."

That no fear is felt for the future is demonstrated by the decision of the St. Maurice Paper Company to proceed practically at once with the construction of two newsprint machines that will double the capacity of its plant at Three Rivers, P. Q. The St. Maurice Company is controlled by the Union Bag and Paper Corporation, one of the big three in the United States paper industry.

To finance the new machines it is proposed to offer shareholders the right to subscribe to 17,250 shares of stock at the rate of one share in four, the subscriptions to be taken at par. The offer is open to shareholders of record of January 28. The new issue will be in addition to 2,500 shares already issued to the Union Bag and Paper Corporation for cutting rights on limits it recently transferred to the Canadian subsidiary.

It is also likely that a bond issue of from $2,500,000 to $3,000,000 will be sold by St. Maurice, but no definite announcement as to this has yet been made.

In the newsprint field in Canada, at the rate of production for the first four months of this year, and taking into consideration the new machines put into operation since January, it is estimated that the output for 1923 will reach 1,384,000 tons, or 4,610 tons a day. In 1924, additional new machines will bring the total capacity of Canadian newsprint mills in 1924 to 1,467,000 tons, or approximately 5,000 tons a day.

Trying to Explain Big Shipments of Pulpwood

From Our Own Correspondent.

MONTREAL. — American papermakers seem determined to offset the impression that the large exports of Canadian pulpwood from Canada to the United States this year have been in anticipation of an embargo on such exports. The American Pulp and Paper Association has issued a press letter on the matter that smacks of propaganda along this line. The letter concludes in this manner:

"Imports of pulpwood into the U.S.A. for the Canadian fiscal year ending March 31, 1920, totalled 1,600,000 cords. Imports for the last four, twelve month periods ending November 30, based on Canadian government and trade association reports, were as follows:

Year Ending	Cords
November 30, 1920	1,323,149
November 30, 1921	1,218,128
November 30, 1922	971,967
November 30, 1923	1,416,558
Average per year	1,232,449

"It is evident from a comparison of the imports of 1922 and 1923, that the imports of 1923 for the latter year were merely sufficient to compensate for the abnormally low imports of 1922. The 1922 period was one of low production. Even with the greatly increased production of 1923 the imports for the year ending November 30 were less than 200,000 cords above the four year average, as indicated above."

BROMPTON PAPER

Greenshields & Co., who have been associated with Brompton Pulp and Paper financing on various occasions, have this to say on dividend prospects:

"We anticipate that earnings for the current year will be in excess of the six-year average and will reflect the increased efficiency of the company's plants. In our opinion, shareholders can reasonably look forward to a resumption of dividends during the coming year.

"The depression in business which hit the paper trade in the latter part of 1921 found the company in the midst of a programme of improvements. While the payment of these improvements taxed the company sorely for the time being, with a consequent drain on working capital, a striking picture of its vitality can be seen in the recovery of its working capital figures, which for the past four years have been as follows:

1919	$1,818,083	1920	$2,181,354
1921	579,992	1922	1,767,438

"In short, the company increased its working capital $1,200,000 between 1921 and 1922—and in a year in which business was none too good. We expect to see a duplication of this performance this year."

Canadian Firm Opening New Offices in Boston

R. A. Daly & Co., investment bankers, Toronto, have taken over the business of Warner & Co., Inc., Boston. This firm, for a number of years, has done business in Boston, specializing in the sale of Canadian government, municipal and corporation bonds, in the New England market.

The new firm will be known as R. A. Daly & Co., Incorporated, and the address will be 50 Congress Street, Boston. Mr. Warner will remain in the business and will have associated with him Henry P. Briggs, late in charge of the Toronto office of Harris, Forbes & Co. Mr. Briggs has had a successful career in the bond business, not only in Canada, but also in the United States. In joining in the management of the Boston office of R. A. Daly and Co., he will return to a field with which he is familiar, fortified by extensive first-hand experience of Canadian financial conditions.

For many years several Canadian bond dealers have had offices in New York, but this is the first time any Canadian firm has opened offices in Boston. It indicates the increasing interest which United States investors, particularly those in the New England states, are taking in Canadian bond issues.

STOCK MOVEMENTS OF THE WEEK

WEEK ENDING January 15

	Div. Rate	Yield Jan. 14	High For week	Low For week	Close Jan. 15	Close Jan. 8	Sales For week	Range 1923 High	Range 1923 Low
Banks—									
Commerce	12+1	6.94	187½	184	187½	187½	91	201	181
Dominion	12+1	7.14	182	181	182	182	203	203	181
Hochelaga	10	6.71	149	147	149	147	210	152	142
Imperial	12+1	7.37	179	175	176	175	113	194	167½
Molsons	12	7.74	159½	155	159	154½	85	177	154½
Montreal	12+2	5.71	247	244	245	248	101	248½	225½
Nova Scotia	16	6.45	250	248	249	251	86	266½	250
Royal	12+2	6.61	212½	211½	212½	212	58	223	208
Standard	12	7.14	168	167	168	168	180	212½	165
Toronto	12	6.81	176½	175½	176½	176	150	192	171½
Union	8	7.61	105½	105	105	105½	20	141	140½
Paper—									
Abitibi, com. (No par value)	4	6.25	65½	62½	62½	64½	5360	74	56½
Brompton Pulp (No par value)	....	....	42	40½	40½	41½	1848	44	35
Laurentide	6	6.49	93½	91	91	91½	4404	103½	85
Price Bros.	2	4.47	42½	42	42	42	582	47	39½
Prov. Paper, com.	6	6.89	87	87	87	90	10	92½	83
Prov. Paper, pref.	7	7.52	94	93	93	93	110	98	92
Smith, Howard, com.	6	9.23	68	64	65	68	490	83½	61½
Smith, Howard, pref.	8	8.04	99½	99½	99½	100	16	108	97
Spanish River, com.	7	6.79	103½	101	101½	101½	4396	103	82
Spanish River, pref.	7	6.42	109	107	107½	106½	3954	108	94
St. Maurice Paper	6	5.66	108	104½	106	106½	942	114½	88½
Wayagamack	....	....	45	44½	45	40	225	61½	32
Steel and Steel Industries—									
B. E. Steel, com.	....	....	4½	4	4½	4	135	10	3½
B. E. Steel, 1st pref.	7	12.50	56½	55	55½	57	301	73	52
B. E. Steel, 2nd pref.	....	....	15½	15	15½	15½	914	26½	12
Can. Car & Foundry, com.	....	....	41	38½	40	37½	1600	37½	20
Can. Car & Foundry, pref.	3½	8.04	87½	85	86½	85	1487	87	67½
Can. Locomotive, pref.	7	8.13	86½	85½	85½	85½	88	98	85
Dominion Coal	7	8.75	80	80	80	81	17	86½	80
Dominion Iron, pref.	7	12.50	56	55	55	55	125	80½	55
Dominion Bridge	4	5.88	68½	66	68	65	247	78½	55
Dom. Steel Corp., pref.	6	8.21	73	73	73	73	45	82½	70
Steel of Canada, com.	7	9.21	77½	75	75½	76	2218	79½	60½
Steel of Canada, pref.	7	6.93	101½	101	101½	100½	110	103½	95
Milling—									
Canada Bread, com.	..	....	73	69½	72	69½	441	66½	52
Canada Bread, pref.	7	7.29	96	95	96	95	220	95	90
Lake of Woods, com.	12	7.05	170	168	170	168	166	184½	160
Lake of Woods, pref.	7	5.93	118	118	118	118	5	119	113
Maple Leaf, com.	....	....	61	60	61	60	240	126	37
Maple Leaf, pref.	7	8.04	88	87	87½	87	73	102	64
Ogilvie Flour, com.	12+10	6.87	320	320	320	307	2	345	270
Ogilvie Flour, pref.	7	5.98	117	116	117	115	10	120	115
St. Law. Flour, com.	6	8.33	72½	70	70	71	125	82	49½
Utilities—									
Bell Telephone	8	6.20	130½	127½	129	127½	1805	128	112
Consumers Gas	10	6.17	163	161	163	161	69	163	150½
Dom. Telegraph	6	4.27	44	44	44	44	25	45½	41
Kaministiquia	8	7.04	113½	113½	113½	116	75	125	103
Mackay, com.	7	6.03	116½	112½	115½	112	2947	124	105
Mackay, pref.	4	5.97	67	67	67	66	75	72½	66
Montreal, L.H. & Pr. Cons.	6	4.22	145	140½	145	143½	3154	143½	103½
Montreal Telegraph	8	15.38	52	52	52	53	10	53	46
Quebec Power, com.	....	....	68½	68	68½	66	136	70	60
Shawinigan	7	5.64	125½	123½	124½	124½	2438	123½	112
Transportation—									
Canadian Pacific Rly.	10	6.57	155	151	152	152	182	162½	142
Canada Steamships, com.	....	....	14	13½	13½	14½	220	19	9½
Canada Steamships, pref.	....	....	45½	43½	43½	44	351	56½	39
Tractions—									
Barcelona	....	....	16	15	16	15	108	22	12½
Brazilian	4	4.11	48½	44½	45	44	19901	53	35½
Detroit Un. Rly.	6	8.40	72½	70	70	72	475	79½	56
Illinois Traction, com.	50c	3.28	61½	61½	61½	60	153	64½	35
Illinois Traction, pref.	6	6.66	90	90	90	88½	4	92½	77½
Montreal Trams.	10	6.28	159	154	159	159	22	159	140
Porto Rico Rlys, com.	....	....	25	22	24	22	310	30	15
Porto Rico Rlys, pref.	7	10.44	69	67½	67½	66	45	81	67
Toronto Railway	....	....	81½	80	80½	82½	995	95	73½
Twin City, com.	6	8.82	69	67½	68	66½	783	80½	58
Winnipeg Elec. com.	....	....	29	28½	28½	29	128	42½	26½
Winnipeg Elec. pref.	7	8.23	85	84½	84½	32	32	87½	80
Textiles—									
Can. Converters.	7	7.77	90	86½	90	86½	118	103	79
Can. Cottons, com.	8	7.33	111	109	109	111	240	137	98
Can. Cottons, pref.	6	6.59	91	90	91	89	15	93	83
Can. Woollens, com.	....	....	6	6	6	7	5	24	5
Can. Woollens, pref.	....	....	35	35	35	35	19	65½	36
Dom. Textile, com.	4	6.15	66	64½	65	64	578	72½	61½
Dom. Textile, pref.	7	6.48	108½	108	108	109½	36	112	103
Monarch Knitting, pref.	7	8.53	82	82	82	80	6	82½	69
Montreal Cotton, pref.	7	6.73	105½	104	105½	104½	9	110	104½
Penmans, com.	8	5.26	152	150	152	150	245	165½	127½
Penmans, pref.	6	6.31	95	95	95	96	6	99½	92
Wabasso Cotton	4	5.71	71	70	70	66	110	81½	65
General Industrials—									
American Salesbook, pref.	7	7.64	92	91½	91½	91	12	93	86½
Asbestos, com.	4	....	33½	30½	33½	25½	216	72½	26
Asbestos, pref.	6	9.67	62	58½	60½	59	438	91	57
Atlantic Sugar, com.	....	....	17½	16	16	18	144	27½	14½
Atlantic Sugar, pref.	....	....	40	39	39½	40	325	48	34½
Bird & Son, pref.	7	7.90	88½	88½	88½	89	5	95	89
Burt, F. N., com.	10	7.29	136½	135½	136	135½	57	140½	123½
Burt, F. N. pref.	7	5.14	136	136	136	131	50	135½	125
Canada Cement, com.	6	7.01	85½	84½	85	84½	381	88½	77
Canada Cement, pref.	7	6.76	105	103½	104½	103½	175	105½	100
Can. Gen. Electric, com.	6	5.17	116	115½	116	116	89	115½	80
Canadian Salt	8	7.33	109	109	109	111	30	112½	100
City Dairy, com.	10	6.02	166½	166	166	166	22	175	135
City Dairy, pref.	7	6.66	105	104	105	104	51	106	96
Crows Nest Coal	6	12.00	50	50	50	50	43	52	44
Cuban Can. Sugar, com.	....	....	6½	6½	6½	7½	10	14	3
Cuban Can. Sugar, pref.	....	....	34	33½	33½	34	75	47	25
Dominion Canners, com.	....	....	31½	30	30	31½	515	39	20
Dom. Canners, pref.	7	8.20	85½	85	85	84	25	90	74½
Dominion Glass, com.	7	6.73	105	104	105	104	931	105½	89
Dominion Glass, pref.	7	6.73	104	104	104	104½	40	107	97
Dominion Stores, com.	50c	....	28½	27½	28½	27½	222	27½	26½
Dominion Stores, pref. (a)	8	9.52	84	84	84	84	7	86½	85½
Davies, Wm. (A)	....	....	20	20	20	25	20	36½	24
Eastern Theatres, com.	....	....	12½	12	12½	12½	65	12½	9
Eastern Theatres, pref.	7	10.44	67	67	67	69	1	70½	69
Goodyear Tire, pref.	7	8.64	81½	81	81	81	95	96	71
Interprov. Brick, com.	6	9.02	66½	66½	66½	67½	50	70	58½
Lyall Construction	....	....	13½	13	13	14	50	48	10
Macdonald, A.	....	....	5	4½	5	4½	100	11½	5
National Breweries	4	7.27	55½	54½	54½	55	2090	56½	46
National Breweries, pref.	7	7.29	95½	95½	95½	95½	25	98	93½
Pacific Burt, com.	6	6.00	100	99½	99½	100	65	107	92
Pacific Burt, pref.	7	6.60	106	105½	106	105	36	108	95
Rogers, Wm. A., com.	....	....	48	48	48	45	4	76½	43
Rogers, Wm. A., pref.	7	7.95	88	88	88	86	10	96	85
Russell Motor, com.	....	....	18	17½	17½	17½	42	36	17
Russell Motor, pref.	7	14.00	50	48½	48½	50	45	75	47½
Sterling Coal, com.	4	....	43	42½	42½	43	40	45½	39
Sherwin Williams, com.	6	5.45	110	109½	110	109	20	123	91
Sherwin Williams, pref.	7	6.86	102	102	102	102	113	102	98
Tuckett Tobacco, com.	4	6.78	59	58	59	57	220	60	49
Tuckett Tobacco, pref.	7	7.36	95	94	95	92½	27	96	87
Trust and Loans—									
Can. Permanent	12	6.55	183	182	183	183	38	194	183
Toronto Mortgage	10	6.02	83	83	83	81½	22	83	78

TELEPHONE "WARRANTS"

Bell Telephone new stock will be offered to shareholders at $100 per share, in the ratio of one new share for five old.

We should be glad to facilitate the completion of five-share units, by the purchase of shares or rights, so that holders may benefit by the attractive proportionate purchase at par.

We invite correspondence or personal calls.

Dickinson & Walbank

Members Montreal Stock Exchange

152 St. James Street, Montreal

MAIN 4090.

T. Kelly Dickinson, J. Y. K. Walbank,

W. McLea Walbank.

The Wm. Cane & Sons Co., Limited

offer

$150,000.00 of 7% First Mortgage 20 year Sinking Fund Gold Bonds

Dated Dec. 1st, 1922. Due Dec. 1st, 1942

In Denominations of $100 and $500.

The average annual earnings of this Company over the past six years have been sufficient to pay the interest three times over on this issue.

The Assets securing this issue are valued by independent appraisers at more than three and one-quarter times the amount of this issue.

The history of the Company is a fifty-year record of steady growth and prosperity.

Price 100 and accrued interest, yielding 7 per cent. Descriptive circulars on request.

THE WM. CANE & SONS CO., LTD., Newmarket, Ont.

THE DOMINION BANK

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, 30th January, 1924, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 15th November, 1923.

BELDING CORTICELLI LIMITED

COMMON STOCK DIVIDEND No. 1

THE Directors of Belding Corticelli Limited have declared a dividend of 2% on the Common Stock of the Company for the year ended 30th November, 1923, payable February 15th to shareholders of record at close of business February 1st. The foregoing declaration is not to be understood as an intimation of a proposed permanent annual distribution to Common Stock holders. Future declarations will depend upon a continuance of profitable operations.

By Order of the Board.

D. R. KENNEDY,
Secretary-Treasurer.

THE BANK OF TORONTO

Dividend No. 179

NOTICE IS HEREBY GIVEN that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared and that the same will be payable at the Bank and its branches on and after the FIRST day of March next to Shareholders of record at the close of business on the 9th day of February, 1924.

By Order of the Board.

JOHN R. LAMB,
General Manager.

The Bank of Toronto, Toronto,
January 16th, 1924.

Brizilian Traction, Light and Power Company, Limited

(Incorporated under the Laws of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly dividend of one per cent. on the issued Ordinary Capital Stock of the Company, payable on 1st March, 1924, to all shareholders of record on the registers at the close of business on the 31st January, 1924.

Dated at Toronto, Canada, 16th January, 1924.

J. M. SMITH,
Secretary.

NOTE:—The Transfer Agents of the Company are National Trust Co., Ltd., Toronto and Montreal, Can. The London Agents of the Company are the Canadian and General Finance Co., Ltd., 3 London Wall Bldgs., London, E.C. 2.

All the resources and full taxing power of the

Dominion of Canada

stand behind the bonds issued by the St. John Dry Dock & Shipbuilding Company, Ltd. In the opinion of Counsel the irrevocable semi-annual subsidy, which is paid by the Dominion of Canada to the Trust Company, who in turn disperse it to the holders of these bonds on the 5th January and 5th July of each year, is exactly the same charge on the Consolidated Revenue Fund as are their Victory Loan obligations. This subsidy is sufficient to pay the principal and interest on all these bonds.

We offer the unsold portion of these bonds at the following prices, which are the most attractive prevailing in the market today for this class of security.

	Maturities	Price to yield
PRICES:	1928-1938	5.35%
	1939-1948	5.30%
	1949-1958	5.25%

and Accrued Interest

Write for particulars.

MURRAY & COMPANY

INVESTMENT BANKERS

Continental Life Bldg. Toronto, Ontario

OIL DRILLING ON LARGE SCALE TO GO ON IN ALBERTA

Wainwright and Medicine Hat Fields Are Centres of Drilling Activity

MANY DRILLERS IN

Big U. S. Oil Interests Are Now Showing Interest and Will Start at Work

Intensive oil drilling will go on in Alberta in the spring. There will be two scenes of activity, Wainwright district, where a well was recently brought in, and Many Island Lake section, northeast of Medicine Hat. In the latter field, events have been moving briskly but quietly. Several wet gas wells of excessive pressure have been brought in, and more will drill. Plans are to go to a greater depth. Optimism abounds that this will reveal oil. In the meantime, the Sarnia Gas and Oil Co. will establish a $300,000 carbon black plant in the Many Island field.

Apparently United States oil interests have been making an intensive study of the Alberta field. The experiences of the Imperial Oil, which spent some $3,000,000 in the West without favorable results, held some of them back. However, recent developments, as enumerated above, have changed that feeling. Leaders in the field, recently in Toronto, state that some of the large oil operators of the United States are firmly convinced that Alberta will produce oil. Mutual Oil Interests are said to be already in the field, and Skelly and other important oils are moving that way.

C. C. Coulter, geologist and noted in the American "Who's Who" as one of the big oil authorities of the United States, with an experience in many other countries, is now acting with a Canadian Co., it is said, as the representative of big oil interests. He was quite free in expressing his conviction to THE FINANCIAL POST that Alberta has great potential oil wealth. He cannot see how the imaginary boundary line between the two countries could cut off the oil from the Dominion. Mr. Coulter states that he spent last year in a 5,000-mile auto cruise over the whole province. Then he constructed a boat and covered the rivers. His choice of location was in the Many Island Lake district, and within 25 miles of where Medicine Hat interests were drilling.

Hatters Started It

The development near The Hat is the result of the firm conviction and optimism of some of the leaders of [illegible] centre that their heavy gas field was underlain with an oil strata. Two years ago they started drilling. First, they had the Medicine Hat Development Co. This concern put down the discovery well. It developed wet gas. Two years ago next month it came in with a tremendous gas pressure. It was tested up to 800 pounds. It was capped, but blew out the sides. As a result of the failure to subdue this heavy gas glow has continued to roar out of the well ever since. Plans to control it are under way.

Later, Medicine Hatters held a public meeting, and some 700 citizens launched the Community Oils. They have the deepest well in the district. It is down 2,400 feet, and it is predicted that around 2 700 feet they will get oil. The gas flow at present is wet, and heavy in gasoline content.

Then came the Canadian-American Oil and Gas, launched by F. S. Ratcliff, one of the pioneers and moving spirits in the first two concerns of Medicine Hat. This was the first attempt to get outside capital and United States interests were interested. Quite a number of prominent oil and mining men are interested in the concern, which has one wet gas well, and is drilling its second. This concern has 10,000 acres under lease, mostly all near The Hat, but some in the Wainwright section as well. One of the interesting features of The Hat promotions to date is that no promotion stock or selling commissions have been paid.

Provincial Oil, Regina; Many Island Oil, Medicine Hat Petroleum, The Hat Pools, Scottish-American, Enterprise Oil, Royal Canadian Syndicate, Thompson Oil, Northwestern Drilling, Snake River Royalty, and the latest, Canadian Oil and Refining. This latter concern has a Canadian and United States board, with M. C. Rogers, president. Mr. Coulter is their geologist. This concern is building a refinery at Lethbridge.

As an evidence of the intensive interest taken in the oil field, an offer of the city of Medicine Hat might be cited. It will advance up to $75,000 it is stated, to anyone who will drill an oil well in the city. Medicine Hat will take the gas in payment of the loan, and if oil is encountered the drillers take all the oil.

British Petroleum, which brought in the Wainwright well, will carry on a heavy spring campaign. It will use two rotary rigs, and, in addition, have six contracts sub-let on other portions of their large lease holdings. These deals are believed to be on a royalty basis, and the company is making arrangements for handling the product.

For the Wainwright Oil Development company, which made a start last season, the General Oil and Development Company of Vancouver is shipping [illegible] a rig, which will be put to work on their location, which is close to the townsite, and will, in all probability have a gas supply to offer to the town. The company is under contract to start drilling before April 1.

Crown Oil Company, with headquarters at Edmonton, has holdings east and south of the British Petroleum, and will have two rigs at work.

An English company, called the Spartan Oil Company, is arranging for the purchase of 10,000 acres of leases, and, if suitable arrangements are made, will have a number of rigs at work.

J. O. Williams, the Calgary geologist, is arranging for the formation of another company to develop leases two miles east of the British Petroleum.

The millions of feet of gas going to waste from wells drilled in Peace River are to be employed, and gasoline extracted. Keystone Oil is operating in this field.

Silence Reds as Aid to McLachlan

From Our Own Correspondent.

SYDNEY.—Well wishers of J. B. McLachlan, deposed and imprisoned leader of the Nova Scotia miners, are busy trying to induce some of his agitator friends to quit their attacks and give him a chance for early release on ticket of leave. McLachlan's family life has always been exemplary. He has also been a strictly law abiding citizen in the ordinary sense of the word. His fatal excursion into seditious libel was committed in the heat of an industrial battle and is believed to have been due more to zeal for the labor cause than any desire to break the law. It also transpired that he was deceived as to the facts by Sydney friends upon whom he relied for information. McLachlan's friends believe the authorities will not turn a deaf ear to a petition for a parole after a reasonable period, and are busy trying to throttle down the noisy element, realizing that the government might comply with a proper request for clemency, but could never yield to the reiterated "demands" of this or that revolutionary organization.

STAND. RELIANCE AUDITORS MAY ESCAPE ANY LOSS

Realization on Assets Working Out Well Above the Valuation

PAYING INTERESTS

Shareholders Should Regard This as Principal—Offers of About Quarter Value Made for Stock

There is a considerable canvassing going on of creditors of Standard Reliance and Mortgage to sell their interests in the preferred shares of the Standard Reliance Assets. They are being offered 20, 30 and 40 cents on the dollar. The office of the company is constantly getting enquiries from small shareholders asking their advice in the matter. Of late THE FINANCIAL POST has had several enquiries in regard to the outlook of the concern. This would indicate that there is a renewed activity to buy up these interests.

The outlook for the depositors and debenture holders, now the preferred stockholders of Standard Reliance Assets, is steadily improving. In the distant future there is a possibility that they will get one hundred cents on the dollar. This possibility is undoubtedly the reason for the activity to buy up the interests at bargain prices.

In a short time a financial statement for 1923 will be issued. It will show a material change in the position of the concern's affairs, but will hardly show the true position. Assets or claims, at one time of questionable value, are being rounded into shape. One instance of many was of a substantial claim that seemed hopeless. Just recently it returned 100 cents on the dollar.

At the time of liquidation, the value of the whole assets was shown to be $675,000 short of the claims of the preferred creditors' claims, which stood at $5,400,000. At the end of 1922 this deficiency stood at $495,940. There is reasonable grounds for belief that this has been further reduced, though it may not be possible to show the total reduction in the new statement. One reason for this is that most of the assets are vacant land, and, in most cases, the disposition of this is on a five-year agreement. One of the subsidiaries, Dovercourt Land, shows clearly the changed position. In 1921 it lost $55,000, while in 1922 it showed a profit of $22,000, and for 1923 its showing will also be satisfactory. During the past year a half million dollars in vacant land was disposed of. Thus, instead of paying taxes on this land, the concern is now getting interest on the money.

Briefly summed up, the disposition of the assets is working out in a manner that is returning a fine profit over and above the values estimated. The big factor seems to be time. Gradual liquidation, and in the meantime a careful nursing along of the assets, repossessing property in cases of questionable mortgages that are in arrears, and clearing other creditors' claims when they stand ahead of and in the way of Standard Reliance, in the carrying out of its plans.

In the case of improved property, there has been quite a change in the outlook from this source. Rentals have been materially increased to the point where they are yielding a good interest rate, while opportunities to dispose of these properties are being looked into.

Shareholders are now receiving 2½ per cent. every six months. This is sent to them as interest. It is, in reality, however, a payment on principal, and only because of a technicality, is it sent out as interest. The common stock should be regarded as worthless.

"Smelters" Now Getting Big Income From Sullivan Mine

Company's Engineers Have Solved Concentrating Problems—Power Development Being Pushed Ahead and Gives Promise of Excellent Success

From Our Own Correspondent.

MONTREAL.—No stock is getting more attention at the present time than "Smelters." Consolidated Mining and Smelting Company is known to have had an excellent year in 1923, although, of course, the final valuation of inventories of metal on hand will have much to do with determining the rate of profits that the annual statement will show. Prospects are that the company will have a good year in 1924. Metal prices have shown a tendency to firmness throughout the year and it has been possible to maintain production at a high peak. It is anticipated that similar or improved conditions will prevail throughout 1924. Some of the figures that have been discussed of the rate of earnings Smelters is likely to show for 1923 are obvious exaggerations, yet the earnings will undoubtedly be very satisfactory.

The Sullivan Mine

The faith in Smelter's future has a good deal of justification because of the rather surprising showing of the Sullivan mine, which is one of the world's biggest mines and was taken over by the company in 1912, but which has only recently been actively developed. This mine has tremendous bodies of high-grade zinc-lead ore with a silver content. Mining methods at first were not sufficiently far advanced to make profitable operation of the Sullivan possible. It was possible to get out the zinc, but only by losing the lead, and to get out the lead only by losing the zinc. The company's own engineers tackled the problem and finally hit upon the method of concentrating the ore so as to get out both the zinc and the lead. The company's recent profits have come largely from the Sullivan mine. With the operation of the new concentrator an even larger share of the profits will come out of this mine, which is reputed to have ore reserves of close to $700,000,000 and may almost be ranked as the greatest mine in the world.

Smelters is the outgrowth of a small smelter established at Trail, B. C., in the early 'nineties. The present company was organized in 1906 and was an amalgamation of the Trail smelter with a number of mining properties. Since that date the company has far outgrown its original proportions. Many new mines have been purchased and developed; new smelting, concentrating and refining plants have been constructed at various points. To list these would be to confuse the reader; they are so numerous and cover such a wide variety of activities connected with the production of refined metal—gold, silver, copper, and, to a larger degree, lead and zinc— from the ores beneath the ground.

C. P. R. Is Largely Interested

From the start, the Canadian Pacific Railway has been active in the control and ownership of Smelters. C. P. R. owns 42 per cent. of the capital stock outstanding, or 177,025 shares out of a total of 421,384 shares, and also owns over two-thirds of the outstanding bonds; $2,698,400 out of $4,000,000. The strong C. P. R. influence in Smelters has been a factor that has won for it the high regard of many investors.

The chief products of Smelters are zinc and lead. In the course of refining and smelting operations a large amount of other metals is also produced. In 1922 the company produced over 84,000,000 pounds of lead and 55,000,000 pounds of zinc. This, in addition to 18,800 ounces of gold, 2,116,000 ounces of silver and 1,240,000 pounds of copper.

Some of its Operations

Consolidated Mining and Smelting is the only company in the world that produces in one plant electrically refined copper, gold, lead, silver, and zinc. It owns mines in Rossland and other parts of British Columbia. It operates a copper refinery and a copper rod mill, each of fifty tons daily capacity. It owns a lead refinery; a zinc plant; a gold and silver refinery; a lead and copper smelter, and the new concentrator at the Sullivan Mine. It controls power developments; it owns workmen's houses.

A recent addition to the properties was the new concentrating mill at the Sullivan Mine, which was financed out of a portion of the proceeds of the recent $6,000,000 bond issue that was sold to shareholders.

In the Power Business

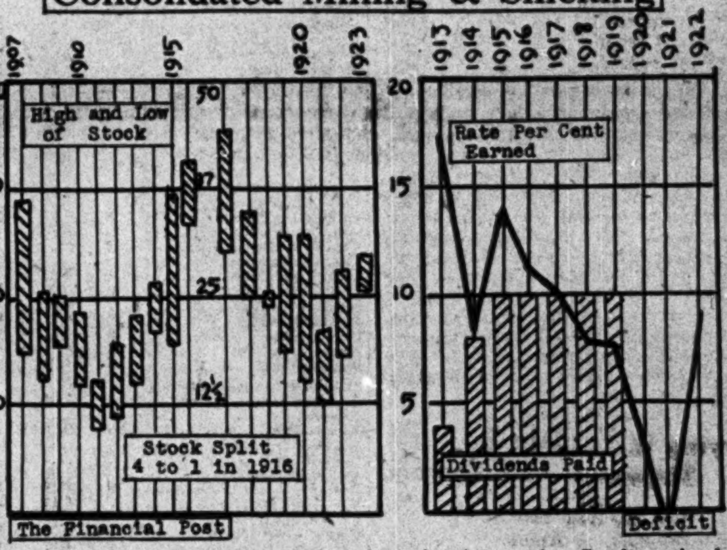
One of the most profitable units in the company's chain of enterprises is the power development of the West Kootenay Power and Light Company. This concern was originally controlled by Charles R. Hosmer, but in 1916 the company was taken over and Smelters' stock was issued in exchange. Under Smelters' control the power development and power distribution have been rapidly pushed ahead, and an enlargement of the power development at Bonnington Falls from 40,000 to 60,000 horse power is now under construction. The Canadian Pacific Railway owns a large share of the preferred stock of West Kootenay, although the common is owned by Smelters.

Due to many reasons the profits of Consolidated Smelters steadily declined for a number of years—from 1916 to 1920—in which year there was a deficit on operations. In 1920 the price of metals declined very seriously, and it was necessary to write off around a million dollars for depreciation on the stocks on hand. There were labor troubles at the plant and costs of production were rising all around. The situation seems to have turned definitely in the opposite direction. Profits available for dividends amounted to $338,000 in 1921 and to $1,228,000 in 1922. This was the equivalent of around 9 per cent. on the stock. No dividends were paid in 1920, 1921 and 1922, the net profits in these three years going to improve the company's working capital position, and to finance some of the plant extensions that are always being made. The sale of the bond issue in 1922 also helped to improve the liquid position of Smelters. Working capital, which showed a deficit of $2,245,000 in 1921, stood at $1,284,000 at the end of 1922.

Prospects Are Excellent

With a continuance of present rates of production, and with gradually declining costs of operation, and with improving markets for metal in Europe, Canada, and the Orient, where the company sells its lead and zinc, the future for Smelters is decidedly brighter than for some time past. The company has just declared a dividend of 6 per cent. for the year 1923. This was less than the dividend rate of 10 per cent. that prevailed during the five years ending in 1919, and no assurance was given that this was to be considered as a permanent dividend basis. Nevertheless, it is freely believed that 1924 dividends will be higher than the 6 per cent. declared for 1924.

Consolidated Mining & Smelting



FIVE YEARS OF "SMELTERS" OPERATIONS

Production of Smelting Works

	Tons Ore Smelted	Gold Oz.	Silver Oz.	Lead Pounds	Copper Pounds	Zinc Pounds
1918	374,889	52,917	1,708,692	38,844,946	7,982,903	21,800,932
1919x	398,118	59,605	1,782,025	41,711,147	6,933,962	30,743,461
1920	592,763	42,636	1,097,930	26,474,652	4,501,594	36,995,384
1921	432,078	56,334	1,198,114	57,683,828	3,056,910	52,988,159
1922						
1894 to date	6,558,663	2,007,382	33,476,206	638,277,092	99,955,147	159,333,009

x 15 months.

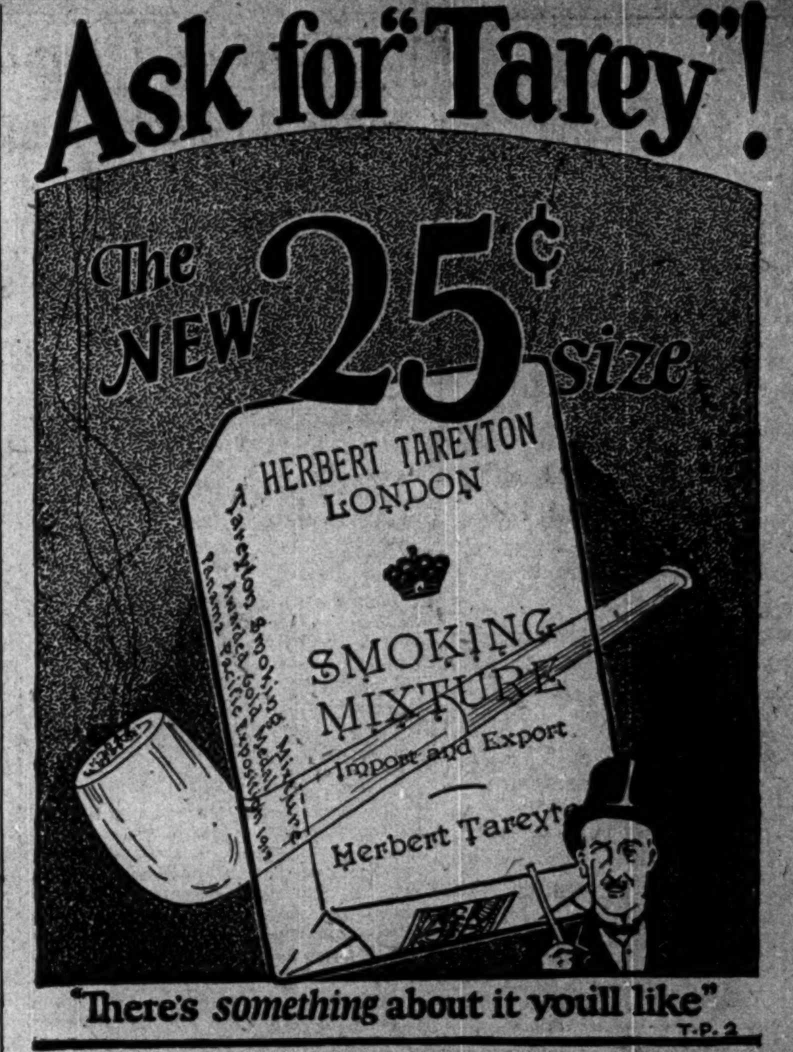
Lower Paid of N.S. Miners May Get Advance

From Our Own Correspondent.

SYDNEY.—Although wage negotiations have now been in progress for over two months, little actual information is available as to the prospects for an early settlement between Besco and its coal miners, represented by the U.M.W. Never before in the history of District 26 have such important dealings been carried on under such a veil of secrecy. All the principals will say is that when the new scale is ready it will be announced to the miners and the public. The smallness of the joint sub-committee framing the new scale makes it easy to keep the whole proceedings secret, and as a result all sorts of rumors are afloat among the men, most of them of an extravagantly optimistic nature, sure to bring disappointment in the end.

Miners are most suspicious mortals. They are always on the qui vive for the least appearance of friendliness for the operators on the part of their own officers. This is a hangover from their experiences long past when some of their leaders turned out to be anything but square "shooters." Present indications are that the new contract will be an improvement on the present one. There will be a general levelling up of the lowest ratings, a move more to be desired than a general increase all round. Considerable improvement in working conditions is also predicted.

Government grants Morris group of meat packers additional year in which to dispose of holdings in stock yards, railroad terminals and un-allied interests under consent decree.



Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada.
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street . MONTREAL

Thin Ice

The bait of a big dividend will lure the wisest judgment on to the thin ice of financial insecurity. A Great-West Life Policy is outclassed by nothing in secured values. In thirty-one years of cumulative success no policy-holder has found a crack in the ice.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG

What the Royal Bank of Canada Says of Credit Insurance—

In discussing insurance in one of its monthly bulletins, the Royal Bank says:

"Another type of insurance which seems destined to play a very important role towards the stabilization of business is credit insurance, which, incidentally, is somewhat new in Canada. By means of credit insurance, a business man has a guarantee that his losses, arising out of the insolvencies of his debtors during any given year, cannot exceed the normal expectancy of such losses for his particular line of business. . . . . The ability to insure against credit loss cannot but have a strong influence towards making business more even and stable."

Manufacturers and Wholesalers, write for full particulars of American Credit Insurance and a list of our Canadian policyholders.

CANADIAN DIVISION
The AMERICAN CREDIT-INDEMNITY COMPANY
of New York —— J. F. McFadden, President
The Pioneers of Credit Insurance

R. J. Mullen, General Manager for Canada,
Excelsior Life Bldg.,
Phone, Main 4181,
Toronto.

0763

FIFTY-FIFTH ANNUAL MEETING OF THE ROYAL BANK OF CANADA

Sir Herbert Holt, President, Reviews Year of Notable Progress—Takes View Canada Has Great Deal on Which to be Congratulated, but Deprecates Excessive Taxation—Draws Attention to Increase in Canada's Trade With Foreign Countries Where Branches of Royal Bank Are Established.

C. E. Neill, General Manager, Comments on Gain of $50,000,000 in Deposits, Every District of Bank Showing Increase—Discusses Agricultural Credits and Government Bank Inspection—Explains Thorough System by Which Losses Are Kept at Minimum—Directors of Well-Managed Banks Give Time and Experience Freely in General Interest.

The Fifty-fifth Annual General Meeting of the shareholders was held at the Head Office of the Bank in Montreal, Sir Herbert S. Holt in the chair.

Mr. S. D. Boak acted as Secretary of the meeting and Messrs. A. Haig Sims and Alex. Paterson as Scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

DIRECTORS' REPORT

The Directors have pleasure in submitting to the shareholders the Fifty-fourth Annual Report for the year ended November 30, 1923, accompanied by the Statement of Assets and Liabilities and Statements of Controlled Companies.

Profit and Loss Account

Balance of Profit and Loss Account, 30th November, 1922	$1,007,514.19	
Profits for the year, after deducting charges of management, accrued interest on deposits, full provision for all bad and doubtful debts and rebate of interest on unmatured bills	3,909,316.48	
		$4,916,830.67
Appropriated as follows:		
Dividends Nos. 142, 143, 144 and 145 at 12 per cent. per annum	$2,448,000.00	
Bonus of 2 per cent. to Shareholders	408,000.00	
Transferred to Officers' Pension Fund	100,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including War Tax on Bank Note Circulation	475,000.00	
Balance of Profit and Loss Account, 30th Novem-		
		$4,916,830.67

The assets of the bank have been, as usual, carefully revalued, in order to make ample provision for all bad or doubtful debts.

During the year eighteen offices were opened and twenty-five were closed.

In May last we acquired on a favorable basis the business of Pedro Gomez Mena e Hijo, a well-known Cuban banking institution, bearing a high reputation. The transaction has proved very satisfactory, the business acquired being of a particularly desirable class.

The Head Office and branches of the bank have been inspected as usual during the year.

The Directors record with deep regret the death in July last of the Honorable W. H. Thorne, who had been a member of the Board since February, 1907.

Owing to his intention to reside hereafter in France, Sir Mortimer B. Davis, K.B., tendered his resignation from the Board, which was accepted with regret.

Mr. G. MacGregor Mitchell of Halifax, N.S., was appointed a Director on December 27th last.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties.

All of which is respectfully submitted.

H. S. HOLT, President.

THE PRESIDENT'S ADDRESS

Sir Herbert S. Holt, Chairman, in moving the adoption of the Directors' Report said:—

I have pleasure in submitting for your approval the Bank's Statement for the past year. It has been a year marked by what I hope are the final adjustments of the period of depression—adjustments in which, I am glad to say, we have not been deeply concerned except in so far as the Country's general business was affected. The statement now before you shows satisfactory profits and an increase in assets of $58,996,188, as compared with the Balance Sheet of one year ago.

The situation in Canada has been a varied one. In the West a record wheat crop of about 450,000,000 bushels was harvested. Alberta, which perhaps stood most in need of a good crop, was fortunate in producing 160,000,000 possibly 175,000,000 bushels of high average grade. Sections of Saskatchewan, and more especially of Manitoba, suffered from severe lack of rain, and the average quality of their wheat was lowered by rust. In spite of these defects and of continued low prices, the gross receipts from the crop in the West will be very large. The net return will not by any means suffice to place the farmers on their feet again, but it will assist in reducing their obligations and is bound to result in larger purchases after years of restriction in this respect. Increased activity in western business which was expected to follow hard on the harvest did not materialize to any extent, but since the middle of December there has been considerable sectional improvement.

THE CANADIAN WEST

The situation of the farmers in the West clearly shows that they must adopt mixed and more scientific farming and not depend wholly on grain, principally wheat, which is so subject to rust and climatic conditions. However until the change can be made it is to the wheat crop that we must look for prosperity. A reduction of 5,759,000 acres in the area planted to winter wheat in the United States is encouraging for Canada. Eventually I expect to see the United States producing only enough wheat to supply their domestic needs leaving Canada, already the leading exporter of the world, as the sole exporter from North America. I am confident that before long better conditions will prevail in the West; in the meantime the farmers' troubles must have our full sympathetic consideration and assistance. The situation in regard to agricultural credits will be referred to by the General Manager.

Conditions in the West have naturally had a country-wide effect and have been responsible for many business difficulties. The year, however, has had certain favorable aspects. In British Columbia the lumbering industry has done well. In Ontario and Quebec the success of the important pulp and paper industry, and mining developments in Northern Ontario have been outstanding features, and in the East the lumbering, coal and steel industries have worked themselves into a better position. For all Canada the 1923 production of newsprint paper should approximate 1,270,000 tons, a new high record.

FOREIGN TRADE

The results of our foreign trade during the year have been gratifying. Exports for the twelve months ending November 30th last were valued at $1,015,583,000, the surplus of exports over imports being $107,351,000. Export values were $152,500,000 larger than in the preceding twelve months, imports $156,000,000 larger. Trade with the British Empire has been well maintained, but the main increase has taken place in our business with foreign countries, notably the United States. Despite the effects of the Fordney-McCumber Tariff, our exports to our neighbors to the south have increased very substantially. Wheat has been affected by the tariff, but not severely. The western cattle industry, however, has been hard hit, as although sales to England have improved they have so far not made up for the restriction of the United States market. There is some possibility that the U.S. tariff on livestock may be made less severe. After extreme legislative measures are resorted to, to improve business and satisfy a popular demand, it is often found that they have not produced permanent benefits and the tide turns in the other direction. I trust that some such movement will develop to the south of us, but in any event the British market should be exploited to the fullest extent possible, as dependence on any one market leaves the cattle industry in a very weak position.

IMMIGRATION A VITAL NEED

Notwithstanding the increase which has already taken place in our immigration figures, the pressing need of the country is for a larger population, and the campaign for immigrants should continue to be conducted with vigor. Fortunately the Government is adopting an aggressive immigration policy, and admirable work is being done by certain private organizations. The distress in Europe affords an opportunity of securing settlers of the best type. The newcomers should receive every encouragement and must be regarded not as competitors in our labor market, but as citizens whose requirements will stimulate employment in home industries and whose work will aid in developing our natural resources.

During the year we published a booklet containing information likely to be of use to prospective settlers. The booklet apparently filled a need. Over 100,000 copies have already been distributed, almost entirely in England, and another edition of 100,000 is being printed. We are placing the services of our branches entirely at the disposal of those interested in coming to this country so that either before or after their arrival they may obtain from our managers any information or advice which they require. We sincerely hope that intending emigrants will not hesitate to make use of the facilities offered.

INCREASE IN EXPORTS

Turning from Canada to the foreign countries in which we are established, I am pleased to be able to say that the results of the year can only be characterized as eminently satisfactory. I was optimistic in regard to the Cuban situation at our last Annual Meeting, but even so had not counted on average prices for the 1923 sugar crop being so attractive as those which were actually obtained. The full crop was easily marketed, and whether or not 1924 prices are on a par with those now ruling, Cuba will continue to give a good account of herself. As a low cost producer of one of the world's prime necessities her prosperity is assured.

Throughout the West Indies improved conditions in the sugar market have brought good results, although in Trinidad and Grenada, where cocoa is an important product, the low prices received for that commodity have had a depressing effect.

At other southern points there have been no outstanding developments, but a general quiet improvement in business can be noted.

It must be gratifying to see that, if we except Porto Rico "a section of the United States," there is not a southern country in which we are established which is not buying more goods from Canada. Taking only points where we have branches, and comparing the two seven-month periods ending October 31st, 1922 and 1923 respectively, British Colonies in the south increased their purchases from $6,500,000 to $8,100,000, South American countries from $4,000,000 to $6,900,000 and other southern points from $3,300,000 to $3,760,000. Altogether this represents an increase in our exports of 36 per cent. from one year to the next, and with improved shipping facilities there is still room for further expansion. As an international bank we have done our best to forward Canadian trade and are now reaping the benefits of this policy. Canadian purchases from the countries concerned have also substantially increased so that the development of trade is well balanced and both sides profit.

THE EUROPEAN SITUATION

In Europe the long drawn-out struggle between France and Germany continues to act as an obstacle to better business. As a currency the mark may be said to have disappeared, and the substitute currency now introduced does not inspire great confidence. The situation has gone from bad to worse. There must always be an end to situations of this sort, but it is not possible to say when that end will be in this case. In Russia we can at last see some improvement. A new currency has been established and is being well protected. Certain of the political ideas which brought chaos into the business life of the country have been discarded and business is being reorganized. This Russian recovery is a very favorable development for Europe and consequently for us as well, in spite of the fact that it means the return of a competitor in wheat and lumber.

Business conditions in France, Spain and Italy continue to be depressed with their currency at the lowest point reached in all time, but it is pleasing to note the improved economic and political situation in Italy. As intimated at our last Annual Meeting our branches in Paris and Barcelona are not maintained for the purpose of doing a local business, but as clearing houses for our general business they continue to bring satisfactory results.

STEPS TO PROSPERITY

Coming back again to our own Canadian situation, I cannot but feel that we have a great deal to congratulate ourselves on. We are not unduly prosperous, but it is certain that it was no poor country which subscribed so generously to the recent highly successful Dominion Government loan. We will come into our own when the tide of immigration again turns strongly towards our shores, bringing with it the long sought for country-wide development. Here is the only solution of our railroad problem, and the most satisfactory solution of the taxation problem. But in the interval of marking time there is no question that continued retrenchment is called for. As a country we have discounted our earning capacity to the margin of safety and it is to be hoped that the Government will bear in mind that the situation renders imperative a rigid adherence to spending on real necessities alone in order that our excessive taxes may be reasonably reduced in the near future. Otherwise we will retard the influx of new citizens and capital, which are so essential to our progress and which will seek other countries where taxation is less burdensome.

I believe that increased immigration, the development and conservation of our great natural resources, the protection of our industries, and reduction of our excessive taxes, will within a few years bear fruit in prosperity for us all, leaving the events of the past few years as experiences to guide our steps in the future.

Mr. E. L. Pease, Vice-President, seconded the adoption of the Directors' Report.

GENERAL MANAGER'S ADDRESS

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:—

The 54th Annual Statement of the Bank, which is presented today, should be entirely satisfactory to you. The outstanding feature is the gain of approximately $50,000,000 in deposits. In view of conditions which existed during the past year, this must be considered most gratifying, particularly as the increase is not due to special transactions, but is general throughout the bank.

The total assets of the bank are now $538,358,554.89, being $58,996,188.58 greater than last year. Our note circulation continues to expand, and is now $31,226,541.74. Current loans have increased $19,733,820.07. Holdings of Government and Municipal Securities are up $13,831,260.72, the increase consisting almost entirely of short term securities which are readily realizable. The liquid position of the bank has been well maintained. Liquid assets are 49.36 per cent. and cash holdings 27.87 per cent. of liabilities to the public.

Profits are slightly less than last year, being $3,909,316.48, after making full provision for all bad and doubtful debts. The usual dividends and, in addition, a bonus of 2 per cent. have been paid to the shareholders. The customary contribution to the Officers' Pension Fund has been made, and the sum of $400,000 has been applied in writing down Bank Premises Account. The balance of Profit and Loss Account carried forward now amounts to $1,085,830.67.

As your President has dealt with the general financial situation and outlook for trade, it is only necessary for me to touch on these matters insofar as they pertain specially to the operations of the Bank. You will receive in due course, with the report of the proceedings of this meeting, detailed information regarding conditions in various parts of Canada, and in other countries where we are represented, but a brief outline may not be out of place now.

OUTLOOK IS ENCOURAGING

As regards our business in Canada, conditions on the whole have been reasonably satisfactory. A bountiful harvest has resulted in considerable liquidation of agricultural loans and an increase in deposits in farming communities. The demand for lumber has been good, and the heavy stocks which accumulated for several years after the war have been cleaned out, unfortunately in many cases, at a substantial loss. However, the situation is now much healthier. The pulp and paper industry, which is such a great factor in our exports, is prospering. The mineral production of the country shows a steady growth and the outlook is most promising, especially as regards the gold mines in Northern Ontario and Quebec. Our fisheries have not shared in the general prosperity, but recently prices appear to be improving slightly. Commercial failures during the past year were less than during the previous year, and on the whole, the outlook is encouraging.

There has been another profitable sugar crop in Cuba and other West Indian islands, and I am glad to say that the general improvement we looked for has been fully realized. I am also pleased to report a substantial increase in our deposits in Cuba, and that on the whole, our business there continues to develop to our satisfaction.

Our connection in South America, which includes our branches in Rio de Janeiro, Sao Paulo, Montevideo, Buenos Aires and Caracas, continues to expand along conservative lines, and already satisfactory profits are being derived from this section of our business, which is entirely self-supporting as regards loaning funds.

Our business in the great financial centres of London, New York, Paris and Barcelona shows a steady growth, and because of our international connection, we are able to make substantial profits in exchange at these points.

SUPERVISION OF BRANCHES

With regard to our widely distributed business, we are often asked how it is possible to supervise from Montreal our branches in distant countries, and not only in those countries, but even in Canada. In the circular which each shareholder received giving particulars of the attendance of Directors of the Bank at Board Meetings, it was explained that in addition to the Directors at Montreal, there are committees of the Board at Toronto, Halifax, Winnipeg and Quebec. The Directors at these points meet regularly and consider with the senior local executive officers, credits originating in, and other matters pertaining to, the business of the district. For the purposes of supervision, Canada is divided into six districts, viz.—Quebec, Ontario, Maritime Provinces, Manitoba and Saskatchewan, Alberta and British Columbia. Our business in each of these districts is supervised by an executive officer of experience, assisted by a staff of competent inspectors. Credits are submitted to the Supervisors by local Managers, and after proper investigation by the former, are either authorized by the local Directors or, if in excess of a specified amount, forwarded to Montreal. All credits authorized by local Directors are submitted to Montreal for confirmation.

To superintend our foreign business, we have resident Supervisors at Havana for Cuban business; at San Juan for Porto Rican business; at Santo Domingo for Dominican business; at Port of Spain, Trinidad, for British and French West Indian business; and at Rio de Janeiro for Brazilian business. We have also a resident Supervisor in New York for certain other points not covered by local Supervisors. This officer also represents Head Office in negotiating business for our southern branches which originates in New York. As in the case of Canada, each of these Supervisors is assisted by a staff of competent inspectors. All credits are carefully investigated by the Supervisor, whose knowledge of local conditions renders his recommendation particularly valuable.

At Head Office our General Credit Department is divided into sections to correspond with the Supervisors' districts. Before submission to our Directors, every credit recommended by the Supervisors is carefully investigated by the credit officials at Head Office, and when finally passed upon, the Directors and Senior executive officials have the benefit of the views of the local Manager, the District Supervisor and the Head Office Credit Department.

The organization which we consider it advisable to maintain may appear elaborate, but experience has taught us that thorough local supervision is the surest way to keep losses at a minimum and to ensure proper and intelligent consideration of local business.

As called for by a new provision in the Bank Act, statements of our controlled companies, The Royal Bank of Canada (France) and the Globe Realty Corporation, are submitted to you with the general Balance Sheet.

In order to avoid excessive taxation, our business in Paris is carried on by a French corporation, The Royal Bank of Canada (France), the entire capital stock of which is owned by this bank, and whose Directors are Directors and officers of this bank. By referring to the statement, you will see that substantial deposits have been acquired. While these deposits have to a great extent been invested in short-term Government bonds, you will be pleased to learn that our Paris office, besides being a great convenience to our customers from Canada and the South, has built up a substantial commercial business, and is proving of decided advantage to our Canadian, West Indian and South American branches.

We have acquired, on a very favorable basis, an extraordinarily well located property, No. 3 Rue Scribe, which will in due course be remodelled and used to house our Paris office.

The Balance Sheet of the Globe Realty Corporation, the company which holds a number of our banking properties in Canada, is also submitted to you. The appraised value of our properties held in this company is over $17,000,000, and the company has a bonded and floating indebtedness of $9,362,000. On this basis the equity in this company is over $7,600,000, which is carried on the books of the bank at $1. It is quite impossible to estimate the realizable value of this equity, but from the standpoint of the bank, as a going concern it is a most valuable asset.

Canadian banks, including ourselves, have been criticized for heavy investments in buildings, and it was in order to make available for our general business a portion of the funds invested in bank premises that our realty company was formed and bonds on certain properties sold. Outstanding bonds of the Globe Realty Corporation are being redeemed at the rate of $400,000 per annum, this amount being in addition to the $400,000 which appears in the bank's statement as appropriated to Bank Premises Account. Through this annual reduction in outstanding bonds the Bank's equity in the stock substantially increases every year. I can say, without fear of contradiction, that we have not been extravagant in our buildings. Our branches are charged a fair rental, based on the cost of the properties, and in most cases, including rent received from other tenants, there is a reasonable return on the investment. With our chain of nearly 700 branches, the largest of any bank in Canada, our investment in bank premises is necessarily large, but permanency of location is eminently to be desired, and it is almost impossible in large centres to rent conveniently located buildings of sufficient size with proper facilities to handle a large, active banking business. We are now well equipped at all important centres except Montreal, where our Head Office building is entirely inadequate for present needs, our business having spread into no less than three adjoining buildings. It was therefore considered advisable several years ago to purchase a large property in the financial district, on which a new Head Office building will ultimately be erected.

REVISION OF THE BANK ACT

The revision of the Bank Act at the last session of Parliament was a matter of great importance, not only to the banks, but also to the entire business community. New provisions to safeguard the interests of depositors and shareholders were introduced. During the discussion in Parliament there was much criticism of the banks and their methods, and since the disastrous failure of the Home Bank there has been more criticism, both privately and in the public press. It is difficult to understand what the critics of the banks hope to accomplish by their attacks. Obviously, legislation can neither produce sound bankers nor prevent fraud and mismanagement. The record of banking in Canada, as compared with other countries, is undoubtedly satisfactory. Much of the criticism during the discussion of the Bank Act in the Banking and Commerce Committee at Ottawa came from members representing the Middle West. Undoubtedly there is, as has been stated, a barren area of credit in the Prairie Provinces, but the credit on land required there cannot legitimately be supplied by banks. Such loans as are required for the development of farm properties are almost a form of capital investment, and can be repaid by the borrowers only over a lengthy period. The imperative duty of the banks to their depositors is to avoid just this class of business. Deposits repayable on demand must be utilized only in loans which are quickly collectable. Long-term loans against land must be provided by companies constituted for that purpose. It is gratifying to know that the Dominion Government has appointed a commission to study the whole question, and it is clearly the duty of banks to encourage actively any sound scheme that may be put forward in this connection. We are an international bank, and speaking from the standpoint of a bank which does business in a number of different countries, I have no hesitation in saying that the facilities accorded to the Canadian public by Canadian banks compare very favorably with the facilities granted by banks in other countries. The funds which Canadian banks have available for agricultural and commercial loans are distributed to the best possible advantage in the general interest. To indicate how widely the loaning funds of this Bank are distributed, I may say that we have no less than 65,000 direct borrowers in the Dominion of Canada, and that the average loan is only $4,080.

I know of no case of a well-managed bank where the Directors or officers of the bank have used the bank or its resources in any way for their personal advantage. As a matter of fact, in most cases Directors of Canadian banks assume great responsibility, giving their time and experience in the interest of the banks and to the advantage of the public without adequate remuneration or gain to themselves.

In some quarters there is a demand for Government inspection. Speaking for this Bank, I desire to say that while we have a highly developed system of internal inspection, and in addition a thorough audit by efficient and experienced public auditors appointed by the shareholders, we shall be only too glad to submit to any further reasonable form of audit or inspection required, be it Government or otherwise, provided such inspection be efficient. The demand for Government inspection and the demand for increased long-term agricultural credit in some cases come from the same sections, in spite of the fact that one is a contradiction of the other; for, while Government inspection would presumably have as one of its goals the increased restriction of banking funds to conservative short-period loans, extension of agricultural long-term credit on a broader scale would be, as I have said before, a departure from proper banking principles. I feel that the criticism of the banks is in most cases unwarranted, but feel just as strongly that the banks must give it full and sympathetic consideration with a view to finding remedies for the troubles on which it is based. I am sure that Canadian bankers are prepared to do everything in their power to take care of all legitimate demands made upon them for credit, to meet the public generally in every reasonable way possible, and to give that co-operation which is indispensable to the proper development of the country.

Each year it is customary to say something about our staff. This is much too important a matter to dismiss in any perfunctory manner, and I find the usual stereotyped words of commendation entirely inadequate. It is difficult to give proper expression to my feelings, but this I should like to say—The success of the Bank, and incidentally the value of your investment as shareholders, depend in a great measure on the integrity and ability of the officers of the Bank, not only the senior officers, but also those who occupy less important positions, and you have my assurance that you are well served. As the Executive Head of the bank, I could not wish for a more efficient staff, and I desire further to place on record the statement that if I, as Executive Head, have achieved any measure of success in furthering your interests, it is due to the loyal support I have received from all ranks of the staff, especially those senior officers with whom I come in daily contact.

AUDITORS

Mr. W. Garth Thomson, C.A., of Marwick, Mitchell & Company, and Mr. A. B. Brodie, C.A., of Price, Waterhouse & Company, were appointed Auditors for the ensuing year.

VOTE OF THANKS

A vote of thanks was passed to the President, Vice-President and Directors to which Sir Herbert Holt replied; also to the General Manager and Staff to which Mr. C. E. Neill responded.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:—

Sir Herbert S. Holt, K.B.	C. E. Neill
E. L. Pease	G. H. Duggan
Jas. Redmond	C. C. Blackadar
G. R. Crowe	J. T. Ross
D. K. Elliott	W. H. McWilliams
Hugh Paton	Capt. Wm. Robinson
A. J. Brown, K.C.	A. McTavish Campbell
W. J. Sheppard	Robt. Adair
C. S. Wilcox	Wm. A. Black, M.P.
A. E. Dyment	C. B. McNaught

G. MacGregor Mitchell

GOLD and SILVER STOCKS

BOUGHT SOLD QUOTED

LORSCH & CO.

Established 1898

MEMBERS

Standard Stock and Mining Exchange.

Phone Main 7417-8, 56-58 King St. W.

TORONTO, CANADA.

W. M. Forrest Draper Dobie

FORREST, DOBIE & CO.

STOCK BROKERS

Specialists in Mining

Phone: Adelaide 6411.

297 BAY STREET. TORONTO

TANNER GATES & CO.

Members Standard Stock and Mining Exchange.

For Information re Baldwin Gold Mining Co. Write us.

300-1 Dominion Bank Bldg. TORONTO

KIELY & SMITH

Mining Brokers Bond Dealers

C. P. R. BUILDING, TORONTO.

Members Standard Stock and Mining Exchange. One of the oldest and most reliable Mining Houses.

Established 1906.

Hamilton Ont.

MINING STOCKS

E. J. Hammond & Co.

20 King St. East, Hamilton, Ont.

Mining News

COMMENCING the first of the year, we are issuing for the benefit of our friends and clients, a fortnightly market letter.

This bulletin contains dependable information on the various mining properties and our opinion as to the probable outcome marketwise.

Have your name placed on our mailing list to receive a free copy regularly.

F. G. OKE & CO.

Members Standard Stock Exchange

34 King St. East Toronto

Telephone: Main 4440-1

MINING NEWS FOR THE INVESTOR

B.C. COAL MINES IN BAD WAY OVER OIL COMPETITION

Other Mines Doing Well Except Perhaps Copper—Portland Area Strong

From Our Own Correspondent.

VICTORIA.—The outlook is that Portland Canal mining area within a few months will be producing upwards of 75 per cent. of the value of B. C.'s total mineral wealth. Mining throughout the province is hopeful. Copper is still too low to offer much profit for the operators, and already several of the smaller producers have suspended work. The bigger companies, however, are doing fairly well and their executives continue to be optimistic.

The provincial government has just issued some figures describing the value and extent of British Columbia's mineral production in 1923. There was an increase of 12.8 in the monetary value of the province's mineral production for 1923, as compared with 1922. The 1923 output was valued at $39,699,758, as compared with $35,158,843 for the previous year, an increase of $4,540,915. The production of 1921 was worth only $28,066,-641, so that the increase during the last two years has been no less than 41 per cent.

Metals Show Increase

The government's report points out that the metals that show an increase, together with comparative figures, are as follows:

	1922	(Estimated) 1923
Gold (Placer)	18,240 oz.	20,000 oz.
Copper ..	32,359,896 lbs.	54,000,000 lbs.
Lead	67,447,985 lbs.	74,000,000 lbs.
Zinc	57,146,548 lbs.	62,000,000 lbs.

There also is an estimated increase of some 12,165 tons in coke manufacture and an improvement in "miscellaneous and building material" production of about $17,674 in value.

Precious metals showing a decrease in production, with the comparative figures, follow:

	1922	(Estimated) 1923
Gold (lode)	197,856 oz.	174,000 oz.
Silver	7,101,311 oz.	6,708,000 oz.

Coal declined to a slight extent in tonnage 56,002.

Increase in placer gold production is regarded as encouraging, although it is estimated that the improvement will be no more than 1,760 ounces. There are two reasons for this advance. Greater activity on the extensive placer grounds of the Cassiar region, North B. C., and continued favorable development of the Cedar Creek section of the Cariboo.

Slocan Big Factor

Slocan continues an important factor in silver production. Sandon has taken on quite an air of prosperity. Old "Slocan Star" at Sandon, now known as the Silversmith and operated by the Silversmith Mining Company, has been producing a high-grade mill feed at the rate of about 100 tons a day, as well as probably a considerable tonnage of high-grade crude ore. Other properties that have added substantial amounts to the output are the "Wonderful" and "Ruth" at Sandon; the "Standard," "Van Roi," "Bosum" and "Hewitt" at Silverton. Besides the activity of mining companies, there have been quite a number of men in the hills leasing and prospecting.

Values Compared

The production of 1922 and estimate for 1923 follows:

	1922	1923
Gold (placer) ...	364,800	$ 400,000
Gold (lode)	4,089,684	3,596,580
Silver	4,554,781	4,236,773
Copper	4,329,754	7,786,800
Lead	3,480,316	4,810,000
Zinc	2,777,322	3,484,400
Coal	12,559,215	12,279,205
Coke	320,845	406,000
Miscellaneous and building materials	2,682,126	2,700,000
Totals	$35,158,843	$39,699,758

Coal production is placed at 2,543,-675 tons, as against 2,580,915 tons for the previous year, or a decrease of 37,240 tons.

Coal Output Down

Vancouver Island's large collieries have been experiencing a slack trade, there having been a decrease in output of 202,730 tons. In the Nicola Princeton field the Middlesboro Collieries alone increased its production. The Crow's Nest Pass district improved over its 1922 production to the extent of 190,207 tons, but 1922 was marked by a long period of labor trouble at Coal Creek, and Michel. The year just closed was uninterrupted in this respect.

Coal mining is passing through a trying period. Both on the coast and in Kootenays trade is being lost through increasing fuel oil importations. There is no doubt that this is the principal reason for the unsatisfactory condition, and whether the one-half cent a gallon sales tax on fuel oil, which has been ordered at the recent session of the provincial legislature, will relieve the situation remains to be seen. The failure of the industry to respond to the stimulus of the greater domestic market of the winter no doubt is due to some extent to the exceptionally mild weather that has been experienced.

Heavy Trading Focused Attention on the Mines

The mining market has been bouyant all week. Trading has been quite substantial and fairly well scattered throughout the list. A week ago attention was focussed on what might be termed the better issues, stocks of producers or near producers. They had their run and then attention moved along, taking up issues in a less secure position. This brought many smaller issues into prominence, and repeated the treatment accorded the higher priced stocks. In the meantime some profit taking and the withdrawal of support caused some of the latter to drop back.

Consolidated West Dome Lake has just about halted another downward movement, and leaves the conviction stronger than ever that this issue is the subject of manipulation. Kirkland Lake Gold came in for a material rise to 28 cents, moving up 10 points in a day. It is doubtful to see a ray of hope in this proposition. The acreage is negligible; funds are exhausted. It is reported that new finds caused the buying. They might improve Beaver's argument in its negotiations with Teck-Hughes, but it is hard to see any benefit for the shareholders of the concern. Tough-Oakes-Burnside has receded to around 66. Selling of this stock has halted considerably. Reports from the property are highly favorable. Bidgood proved a feature, with a five-point rise to 15. It was said that this was due to the report that the refinancing was completed. As a matter of fact this was completed weeks ago, and so announced in THE POST. Reports that Keeley had struck rich ore on the eighth level of its South Lorraine property caused a flurry in this stock. It is still well below the recent high, and the opening price on listing.

In the silvers, Everett Lake, the new Gowganda offering, figures in tremendous heavy transaction. No mining issues of merit are being favorably received by the public, with the result that the stock stood up fairly well.

Iron Ore Discussion Steadily Gets Wider

The movement to press for a bounty on iron ore is gaining strength. Various Northwestern interests are showing keen interest in the matter, and a strong organization will result. The Toronto branch of the mining institute will take the matter up, and, at a luncheon Saturday, will discuss it at length. Dr. W. H. Collins, Ottawa, and Profs. Guess and Haultain, Toronto University, will lead the discussion.

B.C. Legislature Favors An Iron Ore Bounty

British Columbia proposes to speed up to $2,000,000 to aid in establishing the iron ore industry in that province. Bounties are being favored. Under the resolution of the legislature, the provincial government is given power to expend $2,000,000 in five years in bounties on the production of pig iron in British Columbia from British Columbia ores. In a resolution moved by Hon. Wm. Sloan the federal government is asked to contribute a similar amount for a like purpose.

TO MINE SOAPSTONE DEPOSIT

A company is being organized to develop a deposit of soapstone at Dryden, Ont. This deposit, stands out in the form of huge boulders, and is reported to show signs of little fracturing. It is said that over a million cubic feet are available above the surface. Soapstone slabs are used for electric switchboards, etc.

DOME TOTAL OUTPUT

Dome December output made the total for 1923 approximately $4,375,000 from 398,000 tons, the average yield being almost $11 a ton, and approximately $200,000 above 1922 figures, when $4,-178,000 was recovered from 368,400 tons of ore.

BIG COAL MINING PLANS UNDER WAY

Three New Collieries Are Planned for Cape Breton by Besco

From Our Own Correspondent.

SYDNEY.—New Waterford, newest of the large Cape Breton mining camps, is just now experiencing a mild boom, and the more optimistic of her citizens are already looking forward to the day when their town may rival Glace Bay in population and output of tonnage. Within the past few years, New Waterford has grown from nothing at all to a town of 6,-000 people. Now Besco proposes to still further develop that extensive coal field—which means more employment and a bigger and better community.

Plans include three new collieries. Work, which is already well advanced on one, will cost $2,500,000. It will be an electrically-operated mine of the most modern type, and is designed to work a submarine area from which it is planned to win 1,000,000,000 tons of coal over a period of 120 years. That is to say, the coal in sight is sufficient to ensure operation until 2043. By that time, it is expected, new methods of submarine mining will have been perfected, which will prolong the life of the field indefinitely.

Keeley Has Cut High Grade on the Eighth

Keeley's development on the eighth level has opened out almost pure silver on the downward extension of the Woods vein, and, while the blocking-out process has not proceeded far as yet, it is believed that the new find will add millions of ounces to the company's ore reserves. Already a width of about 28 inches has been opened up. Values on this level average well with the high values of the upper level.

Many New Veins are Cut by Diamond Drill

Diamond drilling on the Tough-Oakes-Burnside has revealed some seven new veins. There are two in the southeast and five in the north. The latter are in the old Tough-Oakes holdings, and are at different depths. The holes were driven north from the Burnside working. One of these was to check a hole put down on the Sylvanite at its east boundary. The vein was cut. It shows splendid values.

The interesting fact, however, is that the veins cut on the Tough-Oakes are below the existing workings in these particular sections, and reveal excellent veins. The depth of the workings on this property is at the 4th level in some parts and the second in others. The cutting of the veins makes this section highly valuable.

Some of the veins located by diamond drill in the Burnside workings have been cut by the underground workings already. One of these which showed $2 in the drill core showed $16 in the face of the drift. Another fine vein was cut this week. In about four weeks others will be cut, and in some seven weeks the largest of all will be cut. Mr. McDougall, the new manager, is regarded as an excellent man on ore shoots. He is expected to quickly master the problems of the mine.

SILVER AND OTHER METALS

Silver	12	15	16	17
London (P)	32 15/16	33 7/16	—	33 5/16
New York	63¾	63¼	62⅝	62⅝
Copper	12⅝	12½	12½	12½
Lead	7.90	7.90	7.90	7.90
Zinc	6.40	6.40	6.40	6.40

Mining Stock Quotations

Week Ending January 15

	High	Low	Close Jan. 15	Close Jan. 8
Apex	2½	2½	2½	2½
Algonquin	1½	1½	1½	1½
Argonaut	65	58½	58½	64
Baldwin	5½	5	5¼	5½
Beatty	5	4¾	5	4⅞
Beaver	31	27	30½	28¾
Bidgood	15	9¾	14½	9½
Boston	9	9	9	6
Buckingham	5	4½	5	4½
Castle Treth.	63¾	58	63½	62¾
Beatty rts.	3½	2¾	3½	3
Chaput Hughes	5	4	5	3¼
Coniagas	2.25	2.20	2.25	2.20
Atlas	4½	4	4	4½
Cons. Smelters	38	33	34½	33⅛
Cons. W. D.	30	27	28	29½
Clifton	6	5	6	5¾
Cr. Reserve	74⅝	69	74⅝	73½
Davidson	4	4	4	4⅛
Dav. E. Rights	16	16	16	15
Dome Mines	20.10	19.55	19.55	20.07
Dome Kirk.	1	1	1	—
Everett	17	14¾	15	—
Gold Reef	2¼	2⅛	2¼	2⅛
Goldale	50	48½	49½	50
Hattie	9¼	6¼	9¼	7½
Lebel Oro	30¼	30	30	30
Hollinger	12.70	12.25	12.30	12.50
Hunton	7¼	6¾	7	7½
Inspiration	9	9	9	—
Keora	10	7½	9	7½
Keeley	1.97	1.87	1.96	1.87
Indian	67	65	65½	66
Kirk. Lake	28	18½	24	14¾
La Rose	29½	24	26	22
Lake Shore	3.64	3.37	3.60	3.62
Lorrain	15	13¾	14	14½
Montreal, Ont.	18	14	18	14
McIntyre	18.40	17.75	17.80	18.35
McKinley Darr.	13½	12	12½	12½
Mining Corp.	3.21	3.05	3.07	3.22
Moneta	23½	22	22	23
Newray	43	42	43	43
Nipissing	6.35	6.10	6.15	6.30
Pete. Lake	10⅞	10	10¾	10⅛
Porc. Crown	10⅞	8	10	8
Porc. Tisdale	1½	1½	1½	—
Preston E. D.	12⅞	11¾	12⅞	11¾
Teck Hughes	1.30	1.23	1.25	1.30
Timiskaming	32	31	32	32
Thomp. Krist	8	5	6⅞	5
Trethewey	9⅞	8½	10	9¾
Tough Oakes	70½	65	66	70
Vickers	22	21½	22	23
Vipond Cons.	1.00	97	97	99
Wakenda	3½	3½	3½	4
Wasapika	4	4	4	4
West Tree	6½	6	6½	6½
Wettlaufer	13	12	12	12¾
Wright Har.	3.05	3.05	3.05	3.10
New York Prices				
Inter. Nickel, com.	13⅞	13¼	13½	13¾
Do., Pref.	80	79½	80	78¾

Bankers Not Agreed As to Future Prosperity

NEW YORK.—Bankers all over the country are optimistic over the immediate outlook for business, but they are not unanimous in predicting a protracted period of business activity, according to an elaborate investigation undertaken by the Farmers' Loan and Trust Company, this city. The bank here communicated with bankers in all the important centres in every state in the Union, and has issued a forty-five page booklet containing excerpts from the letters received. Many of the quotations came from prominent men in the banking world.

The Current Issue of

Gibson's Fortnightly Mining Review

is not only a complete review of the events of 1923 in Northern Ontario mining, but a forecast of probable progress for 1924 as well

A copy should be in the hands of every holder or prospective purchaser of the mining shares.

If your name is not already on our mailing list, write for your free copy today

Homer L. Gibson

AND COMPANY

Bank of Hamilton Bldg. Toronto

MINING SPECIALISTS

Our experience covers every mine and every prospect in the gold and silver camps of Ontario.

MARKET DESPATCH

Our Weekly Review of Mines and Mining is accepted as the Standard of its class.

Arthur E. Moysey & Co.

EST. 1904 LIMITED

242 BAY STREET - TORONTO

PRIVATE WIRES

We maintain a private telegraph wire linking the chief mining centres with our head office.

SERVICE

As we have nothing to sell but service, we give it every possible value that we can devise.

"Timely Talks on Mining"

By

Irving J. Isbell

TALK NUMBER TWENTY-ONE

During the last few weeks the newspapers have been full of the sensational discoveries taking place in the new gold fields of Quebec. In all my many years' experience in the mining business, I can truthfully say that I have never seen so much attention paid to any mining camp less than two years old, either in the United States or in Canada.

Some very strong statements are being made about Quebec's gold fields and from conversations I have had recently with old experienced mining men and prospectors, these statements are all true, in fact, if anything they do not do the district full justice, for a well-known mining man whose name is familiar to every mine operator in the Northern Ontario camps, stated to me less than a week ago that the discoveries in Quebec over the Ontario boundary line, are among the most important mining developments anywhere in the world in the last century.

At first I was inclined to think that this statement was due to over-enthusiasm, but I have since had this statement confirmed and substantiated beyond any question of doubt.

To be perfectly frank with you, I believe we are witnessing the birth and growth of one of the biggest gold camps in the world right in Quebec.

I only wish that every reader could have talked to the mining engineers and prospectors who have been in Rouyn, Quebec, as I have done. I am sure the story of the amazing discoveries that these men tell would convince you just as they have convinced me, that the future for Rouyn gold fields is one full of rosy possibilities.

The fact that nearly all of the big gold and silver mining companies of Northern Ontario have secured claims in Rouyn and that large English and American interests are working on properties, must have some significance. There is not another mining camp on the North American continent within my memory that has attracted the large mining people in so short a time as has Rouyn.

If further evidence of the high regard in which the future of Rouyn is held among those who are in a position to know the true facts, it is forthcoming in the reports that both the large railways are vieing with each other to complete their surveys of proposed railroad lines into the new camp.

The surface showings in Rouyn, I am told in all sincerity by men who should know, have never been equalled in any other camp in the world at the same stage of development. Payable gold ore has been uncovered on a number of properties over unusual widths, in fact discoveries such as the Chadbourne, Horne, Powell, Rouyn Gold Mines and others, details of which have been published and officially confirmed, would be difficult to believe were it not that they have been fully corroborated.

A few days ago, shareholders of the Rouyn Gold Mines turned down a bona fide offer made by responsible New York interests of $800,000 for a controlling stock interest in the Company. The offer was equivalent to over 50 cents a share and represented a profit in many cases to shareholders of over 100%, yet after Wm. D. Cooper, manager of the Rouyn Gold Mines, had outlined the importance of the developments on this property, shareholders unanimously declined the offer, thereby expressing their utmost confidence in the future possibilities of the company.

The early days of Porcupine involving the formation of mining companies requiring development capital, brought opportunities for making money such as we have not seen since until the present opening up of Rouyn, Quebec. From all indications, Rouyn is the biggest thing since Porcupine and I believe similar opportunities will be presented from time to time to acquire a stock interest in the good companies at reasonable prices.

I advise readers of these "timely talks on mining" to investigate without delay the possibilities of this new gold field as I am convinced that an unprejudiced and honest investigation will prove to you that my judgment in this respect is sound.

To those who are desirous of buying shares in a well-managed and promising Rouyn gold mining enterprise, I recommend the purchase of Rouyn Gold Mines stock around the present price of 28 cents a share. I honestly believe that profits of a large order will result.

Mr. Isbell's "Timely Talks On Mining" will continue for an indefinite period in this column. "Talk Number Twenty-two" will appear in the issue of January 25th. We suggest that you have your name placed on our mailing list to receive a copy of "Timely Talks on Mining" each week without any charge or obligation of any kind.

Simply write your name and address on this coupon and mail to us.

—COUPON—

SIMONS, AGNEW & CO.,
McKinnon Bldg., Toronto, Ont.

SIMONS, AGNEW & CO., LTD.,
189 St. James St., Montreal

Please place my name on your mailing list to receive a copy of "Timely Talks on Mining" each week free of charge.

Name ....

Address ....

NEWS OF THE BANKS AND BANKING

CANADIAN BANK PROFITS COMPARE WELL WITH U.S.

Low Ratio of Earnings in Farming Districts Shown

By A. G. SCLATER,

NEW YORK.—The publication by the Federal Reserve Board of the earnings and dividends reports of all member banks for the year ending June 30, 1923, makes it possible to compare the net earnings of Canadian and American banks during the past year. As will be seen from the following comparisons, the Canadian banks, despite all the talk about Canadian conditions, made a very creditable showing.

If the reports of the six principal Canadian banks whose reports for the year 1923 have so far appeared are taken as representing Canada, it is possible to compare Canadian and American earnings on the basis of per cent. earned on capital, surplus and undivided profits.

For the Canadian banks whose reports are available, the earnings on capital and surplus are as follows:

CANADIAN BANKS' EARNINGS

	P.c. Capital Sur. & Undiv. Prof. 1923	1922
Bank of Montreal ...	8.1%	6.5%
Royal Bk. of Canada	9.3%	9.4%
Canadian Bk. of Com.	9.0%	9.3%
Union Bk. of Canada	10.3%	7.8%
Molsons Bank	6.0%	7.4%
Bank of Toronto . ..	8.2%	7.3%

In the case of the American banks which are members of the Federal Reserve system, the earnings are presented by the Reserve Board by Reserve Districts as follows:

AMERICAN BANKS' EARNINGS

Net Earnings Percent., Capital and Surplus

	%
District No. 1. (Maine, Vermont, New Hampshire, Connecticut, Massachusetts and Rhode Island)	8.3
District No. 2. (New York State and New Jersey)	12.5
District No. 3. (Pennsylvania and Delaware)	11.5
District No. 4. (Part of Pennsylvania and part of Kentucky) ..	10.6
District No. 5. (W. Virginia, Maryland, Virginia, North and South Carolina)	8.8
District No. 6. (Georgia, Alabama, and Florida)	9.4
District No. 7. (Part of Wisconsin, Indiana, Iowa and Michigan, and part of Illinois)	9.2
District No. 8. (Part of Missouri, Illinois, Arkansas and Tennessee)	9.3
District No. 9. (North and South Dakota, parts of Wisconsin, and Minnesota)	2.8
District No. 10. (Wyoming, Colorado, part of New Mexico)	4.0
District No. 11. (Texas and part of New Mexico)	2.4
District No. 12. (Pacific Coast) ..	6.8

The interesting thing about these statistics, as has been stated a number of times during the past day or so in local financial circles, is the low earning ratio of the banks in districts No. 9, 10, and 11, the agricultural "districts."

This was not due to smaller gross earnings but to heavy deductions for losses.

Exchange

The rate of exchange in connection with shipments of freight between points in Canada and the United States from January 15 to January 31, inclusive, will be 3 per cent., it is announced by the Dominion Railway Commission. During the same period the rate of surcharge on international freight shipments will be 2 per cent., and on international passenger business will be based on 3 per cent.

NEW YORK FUNDS

Sterling Demand, Francs Demand, Lire Demand

	High	Low	Last Year High	Last Year Low
Jan. 10..	2 21-32	2 5-8	13-16	9-16
Jan. 11..	2 23-32	2 21-32	61-64	5-8
Jan. 12..	2 29-32	2 3-4	7-8	25-32
Jan. 14..	3	2 29-32	15-16	27-32
Jan. 15..	2 7-8	2 3-4	15-16	29-32
Jan. 16..	2 3-4	2 9-16	7-8	27-32

STERLINGS, FRANCS AND LIRE

Jan. 10	4.28 5-16	4.83½	4.32½
Jan. 11	4.27⅛	4.77	4.36¾
Jan. 12	4.26¼	4.64½	4.38
Jan. 14	4.23¼	4.37	4.39
Jan. 15	4.25¾	4.50½	4.38½
Jan. 16	4.26⅜	4.71½	4.37¾

Weekly Bank Clearings

(In connection with same week last year)

EASTERN CITIES

	Jan.10, 1924	Change	%
Montreal	$109,826,752+	$15,167,218	16.0
Toronto	106,193,245—	19,169,785	15.3
Ottawa	6,364,045—	142,898	2.2
Quebec	5,516,247+	186,274	3.4
Hamilton	5,280,427—	272,019	4.9
London	3,652,729+	554,525	17.9
Halifax	3,366,061—	475,149	12.3
Windsor	3,192,448+	58,571	1.9
St. John	2,754,499+	134,902	5.1
Kitchener	1,218,725+	162,124	15.3
Brantford	954,746—	162,432	14.5
Moncton	910,740—	135,311	12.9
Peterboro'	841,401+	108,679	14.8
Sherbrooke . ..	819,953+	43,522	5.6
Kingston	743,677+	103,743	16.2
Total	$251,635,695—	$3,838,036	1.5

WESTERN CITIES

	Jan.10, 1924	Change	%
Winnipeg	$ 46,132,485+	$ 386,396	8.4
Vancouver	15,457,575+	1,354,520	9.6
Calgary	8,500,080+	3,346,236	64.9
Edmonton	5,874,818+	807,384	15.9
Regina	3,838,844+	40,071	1.1
Saskatoon	2,095,412+	554,399	35.9
Victoria	1,921,348—	121,874	6.9
Moose Jaw	1,229,031—	87,435	6.6
Ft. William . ..	953,336+	19,364	2.1
Brandon	625,657+	11,240	1.8
N. W'minster ..	575,642+	152,903	36.2
Lethbridge . ..	527,907—	28,654	5.1
Medicine Hat ..	442,138+	97,199	28.2
Prince Albert ..	373,617+	10,339	2.8
Total	$ 88,547,890+	$5,542,088	6.7
Gd. total	$340,183,585+	$1,704,052	.5

Home Shareholders to Fight Double Liability

A formal summons has been sent to the shareholders of the Home Bank notifying them to show cause, either personally or through a lawyer, on or before February 13, at Osgoode Hall, Toronto, why they should not pay up the amount unpaid on their shares, and also the double liability. Warning is given that if they do not file reasons prior to February 13, then, on February 19, proceedings will be taken to enforce collection.

It is understood that action is being taken on behalf of shareholders to bring the liquidators and bank officers before special examiners for thorough examination and enquiry into the whole financial position, resources and assets of the bank, on the ground that the shareholders are not liable to pay any money to the bank or the liquidators until all the assets and resources have been first realized upon and the shareholders then called upon for any shortage or deficiency up to the amount of their shares.

Need of Education in Banking

The following article has been prepared for the readers of this page by W. L. Aiken, of the Bay Street office of The Molsons Bank, Toronto, whose essay on banking methods won the D. R. Wilkie scholarship in 1923

It has been well and truly said that "The successful banker must be a student." To make it more applicable it might be otherwise stated, that, in order to become a successful banker, a clerk must be a student. It is admitted that there are those who through unusual ability and favorable circumstances have been eminently succesful, although they have followed no special course of book learning. Such cases, however, are the exception, and we are here dealing with the needs of the average clerk and bank employee.

Years ago there was usually quite a long waiting list of those desiring to join the service of any one of the chartered banks. Thus it was possible to pick and choose from many applicants. Such a condition of affairs does not exist to-day, however, and it is frequently difficult to secure suitable junior officers. The complaint is also heard in some quarters that the juniors appointed are not as well equipped from an educational standpoint as formerly. Without entering into its causes, if such be the case, it is essential that this deficiency be remedied. If the primary education has been of a sufficiently thorough nature, it is now possible for a clerk to enlarge his knowledge with courses of study specially adapted to meet his vocational requirements.

What then are the requirements of a banker? The primary function of a bank is to lend money. As has been stated with truth and brevity: "The art of banking consists of lending money and getting it back again.' Our banking system is composed of a few large and influential banks, each of which has numerous and widely distributed branches. Our banks are particularly well adapted to meet the loaning needs of our young and growing country. But to loan money and secure repayment is only one of the functions of a modern banking system. There are other departments of scarcely less importance if the bank is to fulfil its duties to the public. There are the deposit, the foreign and inland exchange, the collection and bond departments, etc. In addition, a, special sttaff is required to supervise and inspect the branches. The larger the concern and the bigger the branches, the greater is the necessity for well organized and properly equipped ballanced administrative headquarters. So that instead of being merely loaning agencies our Canadian banks are very highly specialized financial institutions.

In order to manage and administrate these departments of the banks, what is required? Men! Yes; but trained men, specialists in their own line. An unfortunate impression seems to be abroad that by the various bankers' educational schemes, the head offices are endeavoring, solely for their own advantage, to secure more highly trained men. That may be true in part, but this matter should be viewed from another and different ang.e. Each one of us works primarily for himself. The bank may employ and pay us, but we labor for personal gain. Is it not clear that by adding to our knowledge of our profession we are enlarging our field of opportunities and our own value in that profession? There is another factor that affects this situation. Very little if any distinction in financial reward is apparently made at once between those who have taken special courses and those who have not. This condition has an adverse effect on many who do not take the courses, to whom it does not appear at the time that those who have improved their knowledge are receiving financial recognition. In practice this may be partially explained by the fact that the new knowledge is but the door to greater capacity. The results of training are cumulative, and it is only over a period of years that the results can be seen in true perspective.

Of late years we have entered into a new phase in our national career. We find that we are looked upon as one of the coming world nations. Our country is forging to the front and striving for a place as one of the leaders in world commerce and exchange. We are also seeking to develop our inter-Empire trade. Trade follows the flag, and hand-in-hand with trade must go credit. Those who are guiding and those who are preparing to guide the financial destinies of our young nation must study the conditions not only of our own but of other countries. As bankers are looked upon as advisers and counsellors, by our business world, it is essential that we keep in touch with, and anticipate the opportunities and fiancial requirements. A further incentive is that our keenest business competitors are just to the south of us. Their bankers are assisting to blaze new trails in world commerce. To do their part in aiding Canada not only to meet the needs of her home industries but also to take advantage of her international possibilities, young Canadian bankers would be well advised to give these matters close and careful study.

BANK OF VANCOUVER ENFORCING OLD CLAIM

Action to Recover $150,000 Which Was Owed to the Bank by Frank C. Cook

VANCOUVER.—Creditors of the Bank of Vancouver which went into liquidation in 1915 may benefit to the extent of a further $151,639.80, according to Robert Smith, of the legal firm of Mayers, Stockton & Smith, counsel for R. Ker Houlgate, liquidator.

An action to recover this amount will be launched against A. Byron Seins, alias Frank C. Cook, of San Francisco. The amount of $151,639.80 is shown in the bank accounts as being owed by Frank C. Cook, who was at one time associated with the now defunct People's Trust Company, and who later served two years in New Westminster penitentiary for his part in the crash of this corporation, which occurred ten years ago.

It has developed recently, counsel for the liquidator told the court, that A. Byron Seins and Frank C. Cook are one and the same person. It is alleged that after serving his sentence, Cook went to San Francisco and reverted to his original name. Under this name, it is claimed, he was the defendant in a certain court action, and one of the prosecuting counsel is said to have recognized him as Frank C. Cook and to have notified bank officials in Vancouver.

Correspondence between the liquidator and Seins has been carried on for some time past, Seins in several communications having expressed a willingness to settle his indebtedness. The principal question involved is to what extent Seins will be able to pay.

Staff Gossjp

The Union Bank has opened a branch at Hughton, and J. B. Egan, a former accountant here, has been appointed manager.—The Eagle, Rosetown.

W. R. Murray, who has held the position of accountant at the local branch of the Bank of Montreal for a considerable time, has been promoted to the Bank of Montreal at Stratford. Mr. Murray will occupy the position of accountant in Stratford and as the branch there is somewhat larger than the one in Woodstock, his many friends will learn of his promotion with much interest.—The Sentinel Review, Woodstock.

J. V. (Jeff) Rees, a popular member of the Bank of Montreal staff, has been transferred as accountant to the Namayo Avenue branch in Edmonton. Mr. Rees is interested in many kinds of sport and was a familiar figure on the golf links, at the curling rink, and in the hunting field. Mr. Rees was the first member of the Merchants Bank staff in Canada to enlist for service in the world war. H. E. Jones, of Calgary, has been placed in charge of the accountant's department vacated by Mr. Rees.—The Canadian, Camrose.

The death occurred recently of R. F. A. Gilbert, manager of the west end branch of the Imperial Bank, at St. Thomas, after an illness lasting one week. He was educated in the St. Thomas public schools, Ridley and Trinity colleges. He was made manager of the Imperial Bank at St. Thomas in 1911 and has held that position ever since, except for the years he spent overseas. He went overseas as the paymaster of the 91st Battalion and returned at the end of the war.—The Beacon-Herald, Stratford.

Charles D. Lyons has been appointed manager of the Chatham branch of the Standard Bank of Canada. Mr. Lyons has been a member of the staff of the Chatham branch of this institution since 1909. J. L. Dougherty succeeds to the position of chief accountant of the local branch and will assume the duties formerly covered by Mr. Lyons.

Mr. Lyons succeeds Fred Biette, former manager of the Chatham branch, who retired from the service a couple of months ago on account of ill-health. The position of temporary manager during the time which has elapsed has been filled by E. J. Beger, of the head office, Toronto. — The Free Press, London.

IMPERIAL BANK

The Imperial Bank announces the following staff changes: O. D. Robinson, formerly manager at Queen and Palmerston branch, Toronto, has been appointed manager at Yonge and Bloor branch, Toronto. H. F. Western, formerly accountant, market branch, Toronto, has been appointed manager at Queen and Palmerston branch, Toronto. I. K. Johnston, formerly manager, Ingersoll, Ont., has been appointed manager at West End branch, St. Thomas. A. O. Murray, formerly manager at Aurora, has been appointed manager at Ingersoll. H. A. Cross, formerly accountant at Adelaide and Victoria branch, Toronto, has been appointed accountant at the Market branch, Toronto. R. E. Hazelwood, formerly of Toronto branch, has been appointed accountant at Adelaide and Victoria branch, Toronto.

Tokyo dispatch says Japan may forbid ownership of land in Japan to Californians in retaliation for California alien land law, recently upheld by United States Supreme Court.

BUDGET DEFICITS AFFECTING FRANC

New York Bankers Say This is Being Ignored by French Government Officials

NEW YORK.—There are apparently few recent developments abroad to account for the present breaks in exchange. Movement is a continuation of the recessions undergone durin the past several months, the only new factors having an unfavorable influence being opening of British Parliament, the threat of labor disturbances in England and the frantic efforts of French officials and financiers to find a method of stemming the franc decline, all of which have quickened the flow of European capital to this market, says the Wall Street Journal.

Local bankers regard the renewed selling of francs as due to the distrust engendered by the recent publicity given French finances, and the various measures enacted and plans proposed for checking the decline.

Plan of mobilization of French-owned foreign securities to be sold in support of the currency, as proposed by Louis Loucheur, has also been attempted in Germany with known results, and is regarded here as impracticable, for the securities were bought to escape the present situation, and will certainly not be given up under present discouraging conditions. Official announcements to the effect that the Germans are responsible for the decline, not only have failed to relieve the pressure, but have actually increased it.

Bankers here deprecate the fact that among all the measures proposed, practically none have touched on the real cause of the collapse, which has been pointedly ignored by French officials. There has been no attempt by the French government to limit the huge budget deficits being expended for unproductive purposes, bringing progressive inflation. A deficit of more than 12,000,000,000 francs is planned for 1924 despite the fact that bonds are no longer bought unless issued on a ruinous basis, leaving currency inflation as the only source of funds. Financial position has reached a highly dangerous crisis, and there has been little evidence of a sincere attempt to meet the emergency.

FIVE NEW BRANCHES, TWENTY-SEVEN CLOSED

Returns from the Canadian chartered banks show that during the month of December, there were only five new branch offices opened, while for the same period there were twenty-seven offices closed, or a net loss of twenty-two offices for the month. Following is a list of the branches opened and closed:

Imperial—Toronto, 78 Church St., Bloor and Bathurst Sts., West Toronto.

Nationale—La Providence, St. Hyacinthe, Que.

Provinciale—Montreal, 2111 Ontario East.

Closed

Commerce—Beloeil, Que.; Mannville, Alta.

Dominion—Canora, Sask.; Tofield, Alta.; Roblin, Ont. (sub to Napanee).

Imperial—McGregor, Man.

Molsons—Ontario.

Montreal—Cainsville, Ont., (sub); Kimberley; Lakeside, (sub to St. Marys); Balcarres, Eatonia, Duff, (sub), Mozart (sub), Tate (sub), Mikado, Sask.; Mayerthorpe, Stony Plain, Alta.

Nationale—St.-Leon-le-Grand, Que.

Royal—Prelate, Sask.; Milner, B.C., (sub), Rossland, B.C.

Union—Buchanan, Outlook, Sask.; Elm Creek, Ellice Ave., Winnipeg, Man.; Swalwell, Alta.

Your Home and Office Need Genuine

ORIENTAL RUGS

They are everlasting, satisfying, exquisite in colouring and moderate in price when bought from

BABAYANS Ltd. Canada's Largest Direct Importers King & Victoria Streets Toronto

New Issue **$970,000**

City of Hamilton, Ontario

5%, 5½% and 6% Bonds

Maturities as follows:

$495,000 5% Bonds due 1924 to 1953
412,000 5½% Bonds due 1924 to 1943
63,000 6% Bonds due 1925 to 1942

Principal and half-yearly interest payable in Hamilton, Ontario.

Prices: To Yield from 5% to 5.25%
(According to coupon rate and maturity)

Write for circular showing complete schedule of maturities and prices.

Wood, Gundy & Company

Toronto, Winnipeg, London, Ont. — 36 King Street West, Toronto, Telephone: Main 4280 — Montreal, New York, London, Eng.

UNION BANK COURSE WAS WELL ADVISED

President Tells Shareholders That Steps Taken Have Been Justified by Results

WINNIPEG.—Addressing the annual meting of shareholders, President Allan stated that since last June sufficient progress had been made following the announcement of severe losses sustained at that time. In this connection, Mr. Allan said:

"I am glad to be able to inform you that our experience since the readjustment justifies the expression of confidence contained in the circular issued to you at that time. This experience is largely founded on recoveries that have been made, and, in some cases, an appreciation of assets."

On the question of taxation, General Manager J. W. Hamilton declared:

"I have no hesitation in saying that our existing taxation is already dangerously near the point at which thrift, business enterprise and needful capital development becomes seriously impaired."

All the old officers and directors were re-elected, with the exception of S. E. Elkin of St. John, N. B., who expressed a desire not to offer himself for re-election. The new board of directors is now composed of twenty members.

TENDERS FOR DEBENTURES

SEALED TENDERS, marked "Tenders for Debentures" will be received by the undersigned up to 8 o'clock p.m. of Monday, the 28th day of January, 1924, for the whole or part of $35,000 of debentures issued by the Board of Trustees of the Roman Catholic Separate Schools for School Section No. 1, in the Township of O'Brien. These debentures are payable on the instalment plan, the payment of principal and interest in each year amounting to $2,406.18. They are payable at the expiration of Thirty years from the 6th August, 1923. The annual payment on these debentures is on the 6th day of August. The rate of interest is 5½ per cent. which is payable yearly. The debentures will have coupons attached or otherwise as desired by purchaser. This school section includes Kapuskasing. THE PAYMENT OF THESE DEBENTURES AND INTEREST IS GUARANTEED BY THE PROVINCE OF ONTARIO.

The highest or any tender not necessarily accepted.

These debentures were advertised for sale in this paper on January 12th but that advertisement made reference to them as "straight term debentures," hence the new call for tenders.

Information regarding these debentures may be obtained from the undersigned or from Day, Ferguson & Walsh, Solicitors, 25 Adelaide St. West, Toronto, Ontario.

O. FRS. PAQUETTE, O.M.I. Secretary of the Roman Catholic Separate School Board for School Section No. 1, Township of O'Brien.

Post Office Address: KAPUSKASING, Ont.

A large area of farming land in Northern Alberta, Peace River section, towards Cadotte, will be burned over by the government this year. At present it is covered with waste timber.

IMMIGRATION and BABIES

While Mr. Robb and his colleagues are worrying about the Immigration question, let us not forget the THOUSANDS OF BONA FIDE CANADIANS who arrive each month under the protecting wings of Mr. Stork.

These little strangers are the cream of our new population. With them the problems of assimulation become not the work of government departments, but pleasing ages-old domestic rituals. Without them our social fabric would become no more than an empty shell.

But their influence is not merely social, for they are BUSINESS BUILDERS in the truest sense of the word.

There is a very special sales significance in the advent of every new baby.

Baby Carriages — **Sleeping Cots**
Dry Goods — **Insurance**
Baby Foods — **Medicines and Tonics**
Go-Carts — **Furniture**

The finest products of our factories are in continuous demand by these most discriminating of all consumers.

WONDERFUL BUSINESS PROSPECTS
Very much worth-while

What have you to offer them?

Let us help you to reach them—to effect contact, with our BIRTH LIST SERVICE, supplying you with the essential particulars of every birth in Canada.

Write for our tariff--it is very convincing

CANADIAN PRESS CLIPPING SERVICE

149-153 University Ave., Toronto

THE FINANCIAL POST

Member of the Audit Bureau of Circulations.

President - - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - HORACE T. HUNTER
Manager - - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corrections, will be inserted in the news columns unless marked "Advertisement."

Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptances of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item.

ADVERTISING RATES:

Single Insertion ....$2.80 per inch
Financial Reports, Debenture Notices, etc., 20c. per agate line

SUBSCRIPTION PRICE:

Canada and United States ....$5.00 per annum
Great Britain and Countries in Postal Union .... 21s. 6d.
Australia and all other Countries..................... 27s. 6d.

Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY

THE MACLEAN PUBLISHING COMPANY, LIMITED

143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 126 Bleury St., F. S. Chalmers; WINNIPEG, 610 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard, Phone Dearborn 8394; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E. C., E. J. Dodd, director.

The detailed circulation statement we submit is not our own claim, but the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A. B. C. inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JANUARY 18, 1924

Edited for the thinkers of the nation—those peope who analyze correctly and draw proper conclusions and who are responsible fo rthe Nation's sound thought on matters political and economic.

HON. MR. MEIGHEN TRICKING HIMSELF

HON. MR. MEIGHEN has recently been making great advances in his understanding of the questions that are of vital interest to Canadians. In his Quebec and Ontario addresses we have heard less and less of the technicalities on who should sign the fish treaties and other academic problems and more of the topics of urgent value in Canadian progress. But he has yet some lessons to learn.

In London, the ex-premier, in one of the best speeches he ever made, in its appeal to the good sense of his audience, said the public were tricked into defeating his, the late Conservative, administration. He ought to get that idea out of his head. He is tricking himself. The public voted for the Liberals because they had lost confidence in the Conservative leaders — not exactly Mr. Meighen himself, but in many of his associates, men with long records of failures and unfitness for public service. Several of these are now permanently retired, but he will have to drop a few more "leaders" before his party can command public confidence.

He has the chance now to gather about him a new group—men of high character, good records and superior ability who would promote the nation's business whether in opposition or Government. Mr. Meighen himself has high character and ability, and that goes a long way in getting and holding public confidence.

THE PREMIER CONSULTS THE WEST

WHY all this criticism of Premier King for consulting, on national affairs and Western needs, Crerar, Progressive-Farm leader, and Dunning, the Saskatchewan premier? If Party politicians and newspapers seem to regard national administration as a political game and not a serious business, and charge Mr. King with breaking the rules.

A progressive, prosperous, contented West is very important to all Canada, and particularly to the business interests of the East. Conditions in the West for some years have not been entirely satisfactory. Part of these have been due to nature and more to misunderstandings on which agitations have been based. Any effort on the part of the Government to clear up these misunderstandings and promote unity will naturally receive the support of all Canada, the professional politicians excepted.

Crerar and Dunning know the West well and each has a good record as a business executive. If they join the Cabinet—which at present does not seem likely—so much the better. The King Government has some good progress to its credit, but generally it has so far been a disappointment. If they plan to improve now, it is up to the rest of us to help them in their efforts.

Frequent conferences between these Western leaders and representatives of business interests cannot fail to dispel some of the misunderstandings and should lead to a greater unity of interests throughout the country. In the matter of protection and banking there is a very great misunderstanding among the farmers in the East as well as the West, and the fault is not with the agriculturists. They made advances in 1910 and 1915 to the Manufacturers' association and got no response.

WASHINGTON MINISTER NOW UNNECESSARY

THE appointment of Sir Esmé Howard as British Ambassador to the United States raises some questions affecting Canada. Before Sir Auckland Geddes was appointed ambassador, the post was offered to Sir Robert Borden, at that time prime minister of Canada. It is said that Sir Robert was personally not unwilling to accept, but the pressure of colleagues who found him indispensable as head of the Government, led him to decline the offer. Sir Auckland Geddes was appointed, partly because of his knowledge of Canada, since he had served as a professor in McGill University, and had been selected as the head of that institution. Quite obviously, the British Government took special pains to select someone acceptable to Canada. It is not clear whether, concurrently with the appointment of Sir Esmé Howard, it is intended to have also a Canadian ambassador or minister at Washington. Such a step would call for careful consideration. Just now, Canada is making a supreme effort to reduce national and other governmental expenses. It would cost possibly a quarter of a million dollars a year to maintain our own embassy or a legation at Washington. A separate building and staff of clerks would probably be necessary and the Canadian Government would be wise to pause before proposing such an outlay.

Sir Esmé Howard has had a long service at Washington as a member of the embassy. He knows Canada intimately and when here took particular pains to inform himself as to the state of opinion in the country. There are people in Montreal and Toronto who will remember what eager inquiries he was continually making during visits made some years ago. He is an urbane and experienced diplomat who would be extremely tactful in dealing with Canadian affairs. It ought to be possible to appoint to the service of the embassy at Washington some suitable Canadian who would be in touch with affairs here and who might prepare the way for the naming of a Canadian representative in the future, should that step become necessary. Meanwhile, Canada would be wise to go slowly and to test the quality of the new ambassador. For some reason some of his predecessors were not wholly personae gratae in Canada. There is little doubt that Sir Esmé Howard will be personally acceptable to Canadian officials and it may be that this would forestall a separate representation which involves many difficulties.

UNITY CANADA'S GREAT NEED

HON. MR. FERGUSON, Premier of Ontario, commenting on an address by E. W. Beatty, president of the Canadian Pacific Railway, on Canada's problems, before the Toronto Empire Club, said he agreed with Mr. Beatty that the great need in Canada to-day is unity. In the University of Toronto, financed entirely by the taxpayers of Mr. Ferguson's province, there is going on one of the most aggressive campaigns to promote disunity and discord, not only in Ontario, but in all Canada,—discord between classes, religions, races and mainly against the industrious.

OUR EXPORT MARKET IN EUROPE

IT IS very difficult for Canadians generally to understand how seriously European and world situations affect our trade. It is not through lack of information. We are confused by too much detail until most of us do not know exactly where we are at.

Mr. Henderson, the Bank of Toronto's vice-president, in speaking at the annual meeting of shareholders, brought home in tabloid form to Canadian business the European situation when he said that there are 300,000,000 people in Europe who are direct or indirect buyers of Canadian products, whose purchasing power to-day is only 30 per cent. of normal.

While Canadians ought to be pretty well satisfied with the development of their export trade in the last two years, Mr. Henderson's picture suggests the possibilities for this country when Europe gets back to normal and the deep interest this country must have in helping the countries over there to re-establish themselves.

HON. MR. BUREAU ASKS A PRACTICAL QUESTION

THE Minister of Customs has just shown one of the practical characteristics for which Mr. Fielding was noted in dealing with deputations.

The Dominion Trades and Labor Council were presenting their annual demands for legislation to meet their special interests. Some were worth serious consideration, others were inspired by foreign conditions which have no possible place in Canada. They wanted the steady, conscientious hard workers to pay by taxation, unemployment, and other doles to the more or less indolent as they have it in England. Then they wanted the sales tax abolished.

"Very good," said Hon. Mr. Bureau, "that would be a great worry taken off us. But how, then, would you raise the money?"

They were taken aback. They admitted they had not thought of that and asked for time to prepare a scheme. The natural answer for trade unionists would have been, "By the customs tariff under laws that would prevent its unfair administration." That is the answer that would have come quickly from almost any labor unionist in Canada fifteen or twenty years ago. It was the answer that would have come unanimously from any deputation of mechanics waiting on the United States Government. They would have pointed out that a customs tariff would actually take less out of the pockets of the taxpayers, would help workers, would develop industry and save the cost of an entire new organization of collectors. But somehow, professional labor in Canada has been driven into indifference and, in some cases, serious antagonism to production in Canada. Manufacturers have against them now, and most unjustly, the farmers, the press, labor and many of the merchants. We have had four tariff reductions in four years. Every other country worth while, including Great Britain, has been putting on or up their customs tariff. This situation is affecting Canada most seriously.

What is the cause and what is the remedy?

CANADA WELCOMES FOREIGN INVESTMENTS

IN A somewhat hysterical editorial, the Toronto Globe expresses its astonishment that any one should believe anything so "incredible" as that Canada owes five billion dollars abroad. "The total makes too great a demand upon our credulity" says the Globe, which proceeds to ask if anyone can give a bill of particulars.

The bill of particulars is on record for the Globe or anyone else to see. During the past year THE FINANCIAL POST made a survey of foreign investments in Canada and, after getting together a greater amount of authoritative data than has ever before been brought to bear upon this subject, estimated foreign investments in Canada at $4,796,500,000—roughly the $5,000,000,000 figure that the Globe scoffs at. Here is the bill of particulars as published by THE POST:

Railways	$1,425,000,000
Public securities	1,162,000,000
Industry	691,000,000
Forests	425,000,000
Mining	354,000,000
Public services	278,000,000
Land	175,000,000
Mortgages	150,000,000
Banking and insurance	127,000,000
Fisheries	9,500,000
Total	$4,796,500,000

The Globe editorial proceeds to state: "It is not good immigration propaganda to announce that Canada owes five billions to creditors living outside the Dominion." Most informed observers will disagree with the Globe here. It is the best of immigration propaganda that investors in Great Britain, the United States and other countries have backed their faith in Canada with investments totaling nearly to the five-billion total which the Toronto daily characterizes as "suppositious and entirely improbable." It is the finest of advertising for Canada that this nation has five billions of dollars of foreign capital at work here, developing our natural resources, providing labor for Canadian citizens, making possible vast additions to our exports and rolling up large yearly additions to the national wealth.

Perhaps it might assuage the grief of the Globe to know that one hundred years ago one-third of all the government and state bonds of the United States were held on the continent of Europe; that banks were largely in foreign control and that some of the states—like the Globe to-day—became alarmed and passed laws prohibiting the transfer of industrial securities to foreigners. And yet, the United States continued to grow despite the interest payments it had to send abroad. The United States grew because of the faith of foreign investors in that country and their investments. Canada will grow too under the stimulus of outside capital invested here.

EDITORIAL NOTES

IT IS REMARKABLE how much space Soviet Russia can get in the newspapers. This is not the intention or fault of the press but the capacity of the Soviet agents to get at the various press agencies and foreign correspondents.

• • • •

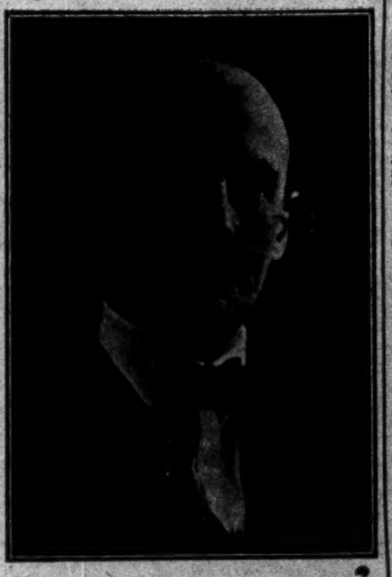
A MILLION farmers producing grain north of the Canadian National line in Alberta within five years, is predicted by Mayor Blatchford, of Edmonton. And yet they say that Western optimism has been dulled.

Canada Well Advertised in France by Exposition Train

Senator C. P. Beaubien Worked For Seven Years on His Project But Was Rewarded by Amazing Success of His Mission to France and Belgium

From Our Own Correspondent.

MONTREAL.—There was never a bolder conception of a gigantic advertisement for Canada than the idea of a Canadian exposition train to tour France and tell the French people of the natural and material wonders of Canada. And no man ever worked harder to make a successful reality of a plan than did Senator C. P. Beaubien in putting across this idea. The exposition train has completed its work. It is now possible to review the results of that work.



Senator C. P. Beaubien.

The Canadian exposition train started from Le Havre on July 10. It began its tour of France and Belgium under the official auspices of the government of France. The train consisted of thirty-two motor trucks, especially built, containing exhibits that told the entire story of Canadian resources, manufactures, attractions and opportunities. It visited thirty-five cities in France, and at the urgent request of the Belgians, visited a number of cities in their country. It wound up with a month in Paris, where the gardens of the Tuileries were given over to the exposition by the French government. The Paris showing closed early in December.

Millions Saw Exhibits

In the course of the tour more than 3,000,000 French citizens actually visited the train and its exhibits. This does not include residents of Paris who visited the exposition that was put on in that city after the train completed its tour.

But the 3,000,000 people who visited the train were not the only ones who learned of Canada as a result of the tour. The newspapers showed cabinet changes, minor wars and murders on the back pages, and turned their papers over to the French train. There was never such an outburst of press enthusiasm in France as greeted the Canadian exposition train.

Senator Beaubien has four huge volumes of clippings from French and Belgian newspapers telling about the train. The reviews, the commercial and financial papers, and the magazines seized upon the triumphant tour of the Canadian train through the French cities as the pretext for articles on every conceivable phase of Canadian life; for special numbers devoted to Canada; for eulogies of Canadian people and their country.

Little Publicity Back Here

It is pitiful that Canadians heard so little of their train and the wonderful success it met with. The lines of communication back to Canada were very inadequate. Nevertheless, the big object of the train was to sell Canada to France, and it accomplished that; the less important work of keeping Canadians informed on the doings of the train does not matter.

For seven years Senator Beaubien worked on his idea before he was finally able to take the exposition train to France. He felt that much good would come in the extension of trade relations, between the two countries, in the promotion of migration, and the strengthening of ties of amity, if the French people knew more of Canada and the Canadian people knew more of France. He was not long in discarding his first thought of a gigantic exposition in some central Canadian point of French products and a similar Canadian exposition in Paris. He wanted to get to all the people, and that could not be done with an exposition in one spot. He proposed to take the exhibits to the people.

The French Train Arrives

France sent its exhibition to Canada in 1921. It travelled in railway cars across Canada, visited 48 cities, and told the story of French products to 350,000 visitors.

This year Canada's exhibit went to France. It was not as large as it might have been. It was hard work getting Canadian manufacturers enthusiastic about the possibilities of a French market for their goods. Senator Beaubien had difficulty in convincing many of those who finally did decide to add their exhibits. This, despite the fact that transportation on the exhibits from Canada to France, throughout the provinces and back to Canada again, was not going to cost any exhibitor one cent. Because of lack of imagination, many manufacturers "missed the train." Nevertheless, the exhibit was large and representative.

The French government provided thirty-two motor trucks, built by Renault in a combination tractor and caravan style. They were works of genius. The caravansary moved from city to city over the fine stone roads of France. Arriving in a city, the most central square was commandeered as an exhibition site. The cars swung around at the edge of the square, the sides were lifted up and tarpaulins hung over in tent fashion. Then the show was on.

The people came in by thousands. In some cities as many as 50,000 people were crowded around the exhibition, with others outside waiting eagerly to get in. There was always a luncheon in the city hall, with the mayor, the clergy, the local deputies and business men, and an occasional cabinet minister, or cardinal, present to entertain and honor the Canadian visitors, for Senator Beaubien and a group of honorary and paid officials followed the train wherever it went.

Route of the Train

From Le Havre, the train went to Rouen and on to Amiens, Lille, Rheims, Metz, Nancy, and other cities, completing the grand tour before entering Belgium, where "De Kanadeesche Tentoonstellingstreign" got a wonderful reception as well.

After covering 5,000 miles of road the train came back to Paris, and a month's exposition was staged in the Orangerie at the Tuileries. This exposition was opened by M. Raymond Poincaré, president of the French Republic, and other high French and Canadian statesmen were present. It was naturally more pretentious than the rolling train. It broke all expositions attendance records for Paris. Senator Beaubien had prepared two beautiful panoramas, 140 feet long, depicting the natural resources of Canada. In front of these were stuffed specimens of the wild life of Canada. The railways had tableaux of exquisite beauty and sound practical selling value.

All Wanted To See It

The train captured the French imagination. Its fame was noised ahead and the citizens of each city on the route awaited its arrival as a small Canadian town awaits the arrival of a circus or the prime minister. Cities that were not scheduled for appearances pulled all the governmental wires in Paris and got cabinet ministers out of their beds to use official influence to have the Canadians visit their towns. As a result, many communities that were not on the original itinerary had to be given half a day's viewing of the little Renault cars and their interesting burden. For five months the main topic of conversation in France was—Canada.

The newspapers were not only generous in granting space but also in their encomiums. Le Petit Parisien started off its story about the Paris exhibit with the sentence "All Paris was in the Tuileries Gardens yesterday." Another paper headlined its article, "A fine trip to Canada without leaving Paris. That's the Canadian Exposition." A third paper ran a review of the exhibits under the headline: "The splendour of Canada." "Science and Industrie," an authoritative business and technical publication got out two special Canadian numbers, and other papers followed suit. Canada received millions of dollars' worth of excellent publicity with almost no expenditure.

There were other tangible results. Firms that took exhibits along were able to cement definite connections in France.

As a result of the train, no less than 3,000 inquiries have been received by the promoters of the train regarding the purchase of the goods that were exhibited. This shows up in bold relief the shortsightedness of manufacturers who refused to even loan of their products for exhibition, because, as they said, there was no possibility of their selling goods in France. Only two examples need be quoted of the definite results of the exposition. One Canadian manufacturer, whose mills turn out wrapping paper, has already made definite arrangements to open an office in France, so encouraging has been the results of his exhibit with the French train. Another paper manufacturer has opened other connections that will, he is now assured, lead to the development of an important trade in his products in France.

In addition, Canada, as a field for investment, and for immigration, was shown to France.

And all this came because one man, a French-Canadian barrister, member of a family that include many of French-Canada's leading business men, had a good idea and developed his idea to its logical conclusion. More than any other person, Senator C. P. Beaubien must be credited with the amazing success of this excellent task of selling Canada to France. One fine tribute to his work has come from British interests who have asked him to prepare a similar train of cars to tour Great Britain next year, following the British Empire Exposition. Senator Beaubien is hardly likely to undertake this work after his strenuous efforts of the past few years in working out his idea for a train to tour France, but the plan will likely be carried out by other parties.

After-war Expenditures Strangle Commerce

Editor, THE FINANCIAL POST,

There is a very interesting and readable article on the back page of your last issue. It is headed: "Income Tax Could be Reduced and Nuisance Taxes Removed." However, in the second-last paragraph, under the sub-head "Aftermath of the war," your correspondent writes:

"Canadians accept their high taxes as a necessary result of the war . . . . we are paying for a contribution to civilization."

Now, I respectfully suggest that the above is scarcely right. It is not war expenditures; but expenditures incurred subsequent to the war that are now strangling commerce and development—if I might employ somewhat strong diction. Since the armistice, Ontario's debt has quadrupled. Your editorial in the same issue precisely hits the mark: It says that while other countries are cutting down their taxation and administration costs, Canada continues to increase her debt. It is this circumstance that hurts; not the indebtedness incurred owing to the war.

It seems quite obvious that, for years, Canada—from coast to coast—her individual citizens, her municipalities, provinces—the entire country, in fact, has been affected with a very pronounced epidemic of extravagance. I employ the word epidemic advisedly. It literally expresses the precise condition. During this epidemic we are nationally irresponsible. No one can reasonably reproach any other because all have been or still are victims—shall I say victims of the law of epidemics.

However, the rash is fading and the temperature indicating a decline to normal. Of course, national sickness—like individual sickness—is tragically costly these days; and, by and by, we are likely to truly realize the appalling magnitude of our bill.

A study of the financial statistics of most municipalities and of the provinces and Dominion, impresses the effects of the epidemics to which I refer. It is not very encouraging. It does not flatter our sense of proportion or prudence. But, epidemics are not solely physical—and, of course, we don't blame the individual who has contracted measles. In the same way, I scarcely see the justice of reproaching ourselves or others because we all happen to have been infected by a psychological epidemic of hectic extravagance when we could least afford it.

In any case, however, we are the best-natured, easiest-going people in all the world. It is not customary for us to awaken to our most vital national interests until we have been kicked violently and oft. It is necessary that we be actually hurt. When we begin to cry out, hope is born. We are now crying out, having been duly hurt. The situation assumes an infinitely encouraging aspect.

F. MACLURE SCLANDERS.

Windsor, Ontario.

January 9, 1924.

Immigration Increased Over Hundred Per Cent.

From Our Own Correspondent.

OTTAWA.—Immigration into Canada last year was approximately 137,000 people. As the figures for 1922 were 67,058, this means an increase of slightly over 100 per cent. during the year.

The arrivals from the United States totalled 20 232, as compared with 23,733 in 1922; while this is a decrease, still, since August there has been a small increase in the number of arrivals from across the line.

The immigration officials are very enthusiastic over the prospects for 1924, some being of the opinion that as many will come in during January alone as came during January and Feburary combined last year. As the latter number was only 5,892, this should not be hard to beat.

Big Crop Helped the Farmers to Pay Debts

From Our Own Correspondent.

OTTAWA.—Hon. A. P. McNab, who was here recently with Premier Dunning of Saskatchewan, confirms the reports from the West that the returns from last year's big crop have put the farmers of that province in much better shape. He admitted that there is not much money in growing wheat at present prices, but says that undeniably the farmers are greatly reducing their liabilities.

As proof of this he pointed to the fact that two years ago about 90 school districts had to be carried by the provincial government; last year the number was reduced to less than one dozen, while this year none were being carried.

PERSONALS

GEORGE WILSON, first vice-president of the Toronto Board of Trade, is assistant to the general manager of the Union Bank of Canada. Born in England he came to Canada in 1883 and two years later became assistant manager of W. F. Haskins & Company, private bankers, Dunnville, Ont., which position he held until 1889 when he entered the Imperial Bank of Canada, being chief accountant at the head office and manager at Quebec and then taking a responsible position in the Union Bank.

RICHARD A. STAPELLS, the newly elected president of the Toronto Board of Trade, is president and managing director of the McElroy Manufacturing Company. He is a Toronto boy who commenced his business career with Burton, Spence & Company, leaving that company to visit England where he engaged in the commission business in London for about two years. Returning to Toronto in 1902 he purchased and incorporated the present company which was established in 1880. He is a member of the executive committee of the Canadian Credit Men's Trust Association, member of the Ontario Minimum Wage Board, an honorary vice-member of the Naval Veteran Association, a governor of Queen's University, a life member of the Empire Club, of which he was president in 1918-19 and a member of a number of fraternal and social organizations engaged in public service. He makes music his hobby, being a member of Toronto Philharmonic Orchestra, in which for several years he played under the direction of Dr. Torrington, one of the occasions being the opening of Massey Hall. Later he had vocal training in London, New York and Toronto, and for years has been baritone soloist at the Church of the Messiah.

Fitting the Investment to the Investor's Needs

No one type of investment can possibly suit all cases. Investors have needs which are widely varied.

Some, who have not made a specialized study of investments, desire securities which will need a minimum of attention and which will afford, at the same time, the maximum of safety—investments which will never occasion a moment's worry, which are to-day thoroughly dependable and which will retain their dependability throughout the passing years.

Some require investments that will mature in a short time—perhaps months, or a year or two at the most. Others require investments that can be instantly marketed. Some desire to invest large amounts at one time; others, small amounts at frequent intervals. These indicate but a few of the needs.

The business man, in constant contact with business and investment problems, may like a wider range of securities and may need them for a great variety of purposes—either personally or in his business reserves or special funds.

Thirty-four years of specializing in fitting investments to individual needs has given us a vast fund of investment experience to draw upon. If you have an investment problem, this organization is at your service without the slightest obligation on your part.

Inquiries invited on all investment matters.

A. E. AMES & CO.

Established 1889. Investment Securities

MONTREAL VICTORIA — 53 KING ST. WEST TORONTO — NEW YORK CHICAGO

'Phones: Toronto, Adelaide 8201: Montreal, Main 3050; Victoria, 105.

INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

TOUGH BROTHERS

W. H. M., Ontario.—Would appreciate it if you would give me some idea of the standing of Mr. Thos. Tough and brothers, who are interested in Northern mines.

Tough Brothers, there are four of them, are among the well regarded pioneers of the north. They have played fairly with the funds of those who took stock in their concerns. The experience of most is that investors in the Tough companies get a run for their money.

WOODS COMMON

U. S. Business Man, Elizabeth.—If there is a chance of getting in on the ground floor, would you consider Woods Manufacturing common good for a long pull?

The stock of the Woods Manufacturing Company has been selling at lower levels because of the passing of the dividend and the prospects of lower earnings this year. The unsatisfactory conditions in the textile industry has led to a belief that prospects are not bright for an immediate improvement, but over a period of years there should be substantial progress in the industry and in the business of this company.

SOVEREIGN-BRITISH MATACHEWAN

Hamilton Inquirer.—I am offered British Metachewan shares for my Sovereign Mine shares on a share for share basis. What do you think of the offer which comes from F. C. Sutherland & Co., Toronto?

Sovereign Porcupine has a property that has prospective merit but the company is not in the best position. It has done nothing for some years and it is stated that the condition of its affairs would make it necessary to recapitalize and refinance before work could go ahead. Sutherland and Co. sold the stock. Now they are handling British Matachewan, a prospect in the Matachewan camp. It has a substantial treasury and is doing some diamond drilling. They state that they figure Sovereign shareholders would be better off in this going concern than in their old company and are offering an exchange, share for share.

AMERICAN MATACHEWAN

Elora, Reader.—A client of ours has some American Matachewan shares. Can he sell them? What price would he get? Are they worth holding?

American Matachewan Gold Mines are located in the Matachewan Gold Camp. This at present has but one proven property, but has all the indications of at some time in the future being a very large mining area. The company is capitalized at $2,000,000 with half the shares issued in payment towards the property, and to pay for the considerable surface work which has been done. The total holdings of the company are 280 acres. It is a mere prospect. Very little of the stock is held outside of the original syndicate members. It is impossible at the present time to put a market price on the stock. If your client can hold it he should do so, remembering that it will be some considerable time before he can expect any possible return from his speculation.

DOM. ALLOY STEEL

Buffalo, Reader.—What do you think of Dominion Alloy Steel? What capital will they need? Will they sell bonds? I am offered a block of stock but do not care to tie up my funds for an indefinite period.

Dominon Alloy Steel is a speculative issue which proposes to manufacture an alloy steel at Sarnia, Ont. They have purchased a large site on the St. Clair River. A large block of the stock, $3,000,000, has been underwritten and the 8 per cent. preferred is being offered at par, $10 a share, with a 50 per cent bonus of common stock. It is hardly likely that any thought will be given to a bond issue so long as the company has so much preferred stock unsold. It is expected that the present issue will install one unit of the plant. You say that you do not wish to have your funds tied up. Any speculative investment is bound to tie up the funds invested while it is working out its salvation. Especially is this true of industrial stocks.

BONDS FOR A WOMAN

Trustee, Buffalo.—Kindly name five or six securities that would be suitable for a widow with small children. The investment would be for Canadian funds and safety of principal would be the first consideration, then marketability, and as good a yield as consistently can be had with comparative safety. Do not include Victory bonds, or bonds of the Dominion of Canada, or Province of Ontario, as she has some of each of these three latter.

Your client has made the right start in confining her investment to Dominion of Canada and Ontario bonds. Further investment in these bonds would appear satisfactory and the list might be extended to bonds of other Canadian provinces and some of the larger and better known cities.

While there are attractive offerings of good industrial bonds from time to time, we would hardly advise a widow to purchase, as they are subject to business fluctuations and are not so marketable as government and municipal bonds. Any reliable bond house will be glad to supply you with a list of offers in the classes named.

GREENING WIRE BONDS

Banker, Sault Ste. Marie.—We understand that the B. Greening Wire Co., of Hamilton, are making a new bond issue. One of our customers has inquired from us concerning this and we would be glad if you would kindly mail us a report of your opinion as to the advisability of an investment?

The B. Greening Wire Company was established in Hamilton, Ontario, sixty-five years ago. It has grown steadily since that date and operates a plant of the most modern type. Wire products are manufactured and a wide market has been developed in Canada, the United States and other parts of the British Empire.

Last fall a bond issue for $800,000 was sold in Canada. These bonds are highly regarded. A new issue of $650,000 of seven per cent., cumulative preferred stock is now being issued to yield 7.40 per cent. While the margin of security behind this is not as great as behind the bonds and it is not likely to be so marketable, the earnings of the company over a long period of years are so favorable as to make this stock attractive, in its class, and should be satisfactory for a moderate investment. Should your client desire greater security you might still be able to secure some of the bonds.

GOOD FOR LONG PULL

Investor, New Jersey.—It appears that the milling industry of Canada will be good for a long pull, and having been informed that Maple Leaf has the controlling stock in Canada Bread, this can find a market for its products to some extent, I would like to be informed as to which is the better stock for the long pull, Maple Leaf common or Canada Bread common?

You are correct in believing that the outlook for the milling industry in Canada is better than it has been for some time. Companies which have been experiencing strenuous competition for some time, now report better sales. The Maple Leaf Milling Company is well managed by men of long experience in the field and should do well in the future. However, in common with other milling companies they must export part of their products and the profits realized on this part of the business will be subject to the conditions of trade at any particular time.

The Canada Bread common stock is now being looked upon with much favor. The company is well managed and has been expanding its business very rapidly. It is understood that a substantial reserve is being made up and the general opinion is that dividends on the common will not be delayed long. The company's products enjoy much favor in several Ontario cities and there is every reason to believe that this condition will continue.

C. N. R. INCOME BONDS

Bank Manager, Stratford.—We have a client who is interested in the Canadian National Railway income debentures described in the attached advertisement. We would be glad to have your opinion as to their suitability as an investment. Do you consider the Dominion Government will provide for their redemption at maturity. If so, what is the reason they are selling so cheaply? We understand that no interest is being paid and will not be paid unless it is earned, which is of course a remote possibility.

The prospects for any interest on the Canadian National Railway unclassified debentures are very remote. However, there appears to be an excellent possibility that the principal will be paid at maturity. The bonds are secured by a mortgage on railway property which is now part of the National system and, while the Dominion Government is not legally bound in itself to meet the payment, it is not likely that they will refuse to do so. In such a case the debenture holder would have a claim on the line.

However, if the railways were turned over to private ownership at any time, the Government would not be responsible for the bonds. It is the general uncertainty regarding their position which keeps the price down to present levels. The feeling is growing that the Government will continue to own the railways until that time and a bond principal will be met.

GRAND TRUNK PACIFIC

J. A., Toronto.—A friend of mine in the Old Country asks about the prospects of the Grand Trunk Pacific 4 per cent. debentures and the resumption of interest payments. I would be very much obliged if you could give me any available information on this subject that would enable me to reply?

The interest on the 4% perpetual debenture stock of the Grand Trunk Pacific Railway is guaranteed by the Grand Trunk Railway Co of Canada, but is payable only out of the earnings of that company after it has earned and paid its own fixed charges. As the Canadian National Railway's earning figures have revealed that the bulk of the increased operating profits have come from portions that were formerly the Grand Trunk Railway, there is an excellent possibility of interest being paid on these debentures within a couple of years. The Canadian National Railways is now carrying out an accounting system that separates the earnings on the Grand Trunk portions of the line from the Canadian Northern branches and it is likely that the annual statement when presented to parliament will distinguish the earnings in this way. This will make it possible to determinate more definitely how close the line is coming to earning the interest that would be payable on these debentures.

Recently it was reported in well informed British circles that interest might be paid as early as April, 1925, but we have no definite data to confirm this view of the matter.

TAXING CO-OPERATIVES

H. K., Toronto.—In your issue of Nov. 30, you published an article headed "England taxes publicly owned trade projects." I have always been given to understand that the great co-operative retail establishments in Great Britain received exceptionally favorable treatment in comparison with their competitors in regard to taxation. If you have any information on this matter I will be glad to be put right.

Professor C. R. Fay, Department of Political Economy, University of Toronto, who is regarded as an authority on this subject, says that during the war the co-operative establishments were wrongly subjected to excess profits tax, and this was repaid to them. After the war they were adjudged liable to the corporation tax, but this was revised by parliament in 1921. The income tax commission proposed that they should be liable to taxation in respect of their undivided surplus, but this was not adopted. He says that co-operative dividends on purchases are not regarded as income for purposes of taxation.

E. J. Dodd, director of the MacLean Co., of Great Britain, writes that the co-operative retail stores do not pay income tax or corporation tax. Mr. Dodd says it is a grievance amongst private traders that co-operative societies are not taxed, but, of course, labor is so strong that there is no prospect so far as he can see of their being brought under the normal income tax which British firms pay. Individuals employed in co-operative societies on salaries or wages have to pay income tax as individuals, of course.

NATURAL TREAD SHOES

Banker, Toronto.—We are advised that Natural Tread Shoes are selling stock. One of our customers is considering their proposition. Any information you can give will be appreciated.

Cumulative preferred shares paying 8 per cent. of Natural Tread Shoes of Canada, Ltd., are being offered by Equitable Bond Co., Toronto. The total issue is $50,000. The preferred has a par value of $10 and the common $5. It is being offered in units of 10 preferred and 10 common with a bonus of 5 common for $150. There are 30,000 shares of preferred and 140,000 shares of common. Natural Tread Shoes are the development of an idea by V. E. Taplin, who holds that fancy shaped shoes are injurious to the health. At this factory, at Belleville, he makes women's shoes on one last and men's on two. His gospel is a perfect fit and a shoe of the best possible material. The company conducts one retail store, located at Toronto. Just recently they have undertaken to push a sales organization and are interesting a leading shoe dealer in each centre. Style shows are put on to launch the sale in these centres. Sales for 10 months of 1923 totalled $120,000, the profits for 10 months being about $12,000, as compared with a deficit of $15,000 the year previous.

The whole shoe industry in Canada had hard going last year. Competition from the U.S., always keen, was a little offset with an even more keen competition from England. Staple lines alone proved profitable. The industry is in a measure to blame. It has harkened to the style craze. Now the tendency is back to standardization, the elimination of style shoes and varied lasts as much as possible. This is what the Natural Tread does. Handling such a proposition is a matter of costs and turnover. Mr. Taplin says his costs are well down and he is steadily getting the production.

DOME MINES

New York Reader.—A client of ours has some Dome and is thinking of going in for considerable more. We don't want him "stung." Would you give us a line on its outlook, especially on the chance of paying $1 a share per quarter on the new stock?

The chances of Dome Mines paying $1. per share on the new stock of no par value is some distance removed. The last statement showed earnings just a little over the required dividend disbursement. This after a very heavy allowance had been made for depreciation as well as maintenance of a dividend assurance fund of some $1,200,000. Production at the present time is a little better than the average for the greater part of 1923. November production was $381,540; December, $372,962. Recovery works out at approximately $10 to $12 per ton with costs slightly in excess of $4 per ton. Roughly, the profit is $6 per ton. The average tonnage gained is about 1,200 a day. This would make net earnings of about $3,000,000 a year, which would mean something around $1,000,000 over and above the present dividend requirements. The surplus stands at $4,600,000, with depreciation $3,500,000. Dome would have to make material increase in its production before it could increase its dividend. To do this would mean heavy expenditure in capital accounts. They would require a new shaft on the Dome Extension property, and to increase the mill tonnage. To do the latter they would have to start at the generators and build up a complete new outfit. There are reports of plans under way now, providing a new shaft and new mill on the Dome Extension property. Practically all of the Dome ore is being produced from sedimentary formation and so long as operations are being conducted in that rock it is hardly possible to give any estimate of ore reserves. The ore bodies are irregular, and frequently barren areas are encountered. Dome is highly regarded as a mining investment.

Bell Telephone Rights

Bought, Sold and Quoted.

We shall be glad to give holders, at their request, information on these rights.

Greenshields & Co

Dealers in Canadian Bond Issues
Members Montreal Stock Exchange

17 St. John St., Montreal
also Mount Royal Hotel

TORONTO 14 King Street E. — OTTAWA 46 Elgin Street

CURRENT OPINION

AS TO TAXATION
(Ottawa Journal)

In his message to the New York Legislature, Governor Alfred Smith urges the reduction of the State income tax by twenty-five per cent.

In his message to Congress a few weeks ago President Coolidge likewise advocated lower taxes; and his policy is being given effect.

Everywhere, apparently, the revolt against high taxes grows. Everywhere—except Canada. Here, five years after the Armistice, and with other nations retrenching and reducing taxes, we are going on spending with abandon and piling on a new Sales Tax to pay for our extravagance.

DO WE NEED SO MUCH MONEY?
(St. John Telegraph-Journal)

The official announcement is made that the Customs and Excise revenue alone of Canada was nearly forty millions greater in 1923 than during the previous year; that we collected from the people in duties and Excise Tax the enormous sum of $801,478,818. It is worthy of note and consideration that the Excise Tax was chiefly composed of the Sales Tax. Altogether a revenue of $126,684,825, which was an excess of $30,000,000 more than the previous year, was collected. The question arises: Do we need all this money; is it necessary for taxation to be so heavy to carry on the ordinary affairs of the country?

POOR OLD JOHN BULL
(Sydney Record)

John Bull has his troubles, plenty of them, too many of them for his comfort, no doubt. He has enormous debts. He has tremendous war losses to repair. In some markets he must face keener competition than ever before. There is much unemployment in his country. But he is paying his debts, making good wartime losses, meeting competition and building up again an increasing foreign trade and shipping business which means a gradual reduction of unemployment.

Poor old John Bull? Not at all. John Bull is as ever the sturdiest, pluckiest old fellow imaginable, and unsurpassed as a business man.

WORSE IN NOVA SCOTIA
(Halifax Herald)

"The Western farmers are complaining of the secrecy with which their own government—the Farmer Government of Alberta—conducts its affairs. Too often cabinet ministers, provincial and national, become autocratic in their attitude towards the public, of which they are servants."

This extract is from the Montreal Financial Post. Our neighbors in Montreal, or those farther west, must not think that they are the only people in Canada who have just right to complain. There is not a closer-mouthed government, in regard to information, in Canada than the Nova Scotia government. It lives in secrecy.

Autocratic is the word in regard to keeping back information from the people. The system of publishing the debates of the Legislature, either in full or in summarized form, was abolished—on the plea of economy. But economy is an unknown quantity. Now that darkness prevails, prodigality is the word. And with the public accounts held back, the people cannot know about the prodigality until it has become ancient history. The East can give the West lessons in secrecy, prodigality and political arrogance.

THE EXODUS OF GENIUS
(Quebec Chronicle)

The report that an effort is being made to induce Dr. Clifton D. Howe, Dean of the Forestry School of Toronto University, to accept the position of Chief of the Forestry Faculty of the University of Michigan, has led Mr. Frank J. D. Barnjum to forward to Sir Edmund Walker, Chancellor of Toronto University, a spirited protest in which he makes an urgent appeal that Dr. Howe should not be permitted to leave Canada.

Mr. Barnjum points out that the departure of Dean Howe would be a loss which could not be repaired. As he puts it, there is only one Dean Howe on the continent. Canada has him. Michigan wants him. It is up to Canada to keep him.

"Canada," says Mr. Barnjum, "is in urgent need of every trained forester and forest insect entomologist obtainable, for without these technically trained men, backed up by enlightened, honest and loyal government, the future outlook for Canada would be beyond hope." And he adds the statement: "If Canadians do not soon arouse themselves from their Rip Van Winkle slumber, there will shortly be nothing left in this country but stumps, sawdust and politicians!"

The Chronicle warmly associates itself with the hope expressed by the Halifax Herald that the University of Toronto will be successful in holding Dean Howe. It is depressing to think of the army of brilliant men in all walks of life whose talents should have contributed to the development of this country, but have been secured to the service of the United States by rewards that Canadians have been unwilling or unable to offer them.

As the Halifax paper observes: "Our raw materials are flowing in great streams across the line; our people have been following that raw material; and now the University of Michigan would take one of the most brilliant minds in our educational system and add him to the galaxy of investigators and teachers who have already gone where the rewards are greater. We can hardly blame them. We must blame ourselves for not appreciating such men at their proper worth. It is only too true, as Mr. Barnjum points out in his message to Sir Edmund Walker, that 'the miserable remuneration that these highly trained technical men in the public service in Canada are receiving is little short of a scandal, especially when millions are being literally thrown away by our government in needless extravagance and worse'."

TAXES AND TRADE UNCERTAINTY
(Sydney Post)

Even if lessened taxation is not immediately possible, less obstructive methods of taxation should be. On this point the FINANCIAL POST makes the following comment with respect to the new sales tax:

"A year which has been strenuous, industrially and commercially, is ending with mixed conditions and the prospect that a further period will be experienced in which there will be keen competition for business passing and small profits after the taxation and other expenses are met; the new sales tax will tend to increase rather than decrease operating difficulties for many businesses for a time at least."

Business revival is slow because there is not only the inertia of a prolonged depression to be overcome, but also an unfailing programme of reactionary legislation at Ottawa. Tariff cuts and uncertainty, increased sales taxes, cheques and bills plastered with stamps, petty tolls on trifling exchanges of money, and the substitution of revenue for postage stamps in business transactions, have all done their bit to make the year which has passed "strenuous industrially and commercially."

And the people of Canada still await the first measure of promised taxation relief from the the King Government as well as the first move to stimulate trade or industry. But unemployment has to some extent been relieved by emigration.

OPEN PANAMA TO CANADIAN BUSINESS
(Vancouver Sun)

By promising that the collector of customs at Vancouver will admit, without customs charge, any goods that come through the Panama canal, provided he is satisfied it has had its origin in Canada, Hon. Dr. King subscribes plainly and without reservation to the principle that Canadian provinces have the inalienable right to trade with one another without any custom barrier whatsoever.

That being the case, and that principle being so plainly endorsed, there should be no more difficulty about the admission of Canadian goods duty free to Vancouver if that goods touches or is transshipped at Baltimore, Boston, Savanah, New Orleans or any other American port than if it touches or is transshipped at New York, where a Canadian customs officer is to be appointed.

The real point in the campaign that has been waged over the Panama route customs tax has not been the mere technical appointment of an officer at New York, but the principle itself, as laid down in the B. N. A. act, that nothing shall hinder free trade between province and province

Hon. Dr. King's statement is reassuring to those who might have feared that as Canada's business expanded and other American ports were involved in Canada's intercoastal trade, the same fight would have had to be fought over the appointment of customs officers at those other ports as has been successfully fought over the appointment of an officer at New York.

Hon. Dr. King's announcements show that the principle of free trade between Canadian provinces has been definitely accepted at Ottawa and that no such contingency need be anticipated.

RSC INVESTMENT-SERVICE

Have your Investments Revalued

In January it is wise to have ones investment holdings re-valued.

If you care to send us a list of your investments we will send you the current market price on them, also a copy of "Investment Items" containing our investment review of 1923 and prospect for 1924.

Royal Securities CORPORATION LIMITED

164 St. James St., Montreal

Toronto, Halifax, St. John, Winnipeg, Vancouver, New York, London, Eng.

Invest in Good Bonds

If you expect funds early in January we suggest that you arrange now to invest them so that you will not loose interest by having idle funds on hand.

At prevailing prices good bonds offer many excellent opportunities and we shall be glad to furnish you with a list.

Write to 36 King Street West, Toronto, or telephone Main 4280.

Wood, Gundy & Co.

City of Toronto
5% Bonds

These bonds are an obligation of the City of Toronto at large, and are backed by its full taxing power.

In addition, their ready marketability is a factor not to be overlooked by the investor who wishes his funds in an accessible position.

We offer these bonds, subject to previous sale, at

PRICE TO YIELD
1931-1935 maturities - 5.25%
1944-1952 maturities - 5.20%

Gairdner, Clarke & Co.
312 Bay Street, Toronto, Telephone Elgin 2301
Dominion Express Bldg., Montreal, Telephone Main 8323

STOBIE, FORLONG & Co.
MEMBERS TORONTO STOCK EXCHANGE
10-12 King Street East
TORONTO
HAMILTON BRANTFORD KITCHENER OSHAWA
Private wires connecting all offices with Montreal and New York

McDougall & Cowans
Members of the Montreal Stock Exchange
130 St. James Street
STOCK BROKERS
HALIFAX ST. JOHN, N. B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
21 JORDAN STREET - TORONTO

Government, Municipal and Corporation Bonds
Enquiries Solicited
STEWART, SCULLY
COMPANY, LIMITED
McKINNON BUILDING, TORONTO PHONE MAIN 5588

Your Savings
For every unit of $100 you have in the Savings Bank you can obtain a good bond that will yield you 5% or more, and it is saleable at any time.
CONSULT US.
JOHNSTON AND WARD
14 King Street East, Toronto

INSURANCE
Fire, Automobile, Accident Liability, Etc.
Intelligent Advisory Service
OSLER, HAMMOND & NANTON
WINNIPEG.

EXPERIENCED ACCOUNTANT
EXPERIENCED ACCOUNTANT desires position as Chief Accountant, or Office Manager. Capable of taking entire charge of office staff and accounts. Can furnish best references as to ability and character. Reply Box 2, The Financial Post, Toronto.

NEWS AND VIEWS ABOUT BONDS

RUSH TO SECURE FINANCES ON PART OF MUNICIPALITIES

Many Bond Issues Offered During Past Couple of Weeks

The past two weeks have witnessed a rush on the part of municipalities to secure necessary money to cover present financing. Several large cities refrained from issuing bonds last fall on account of the depressed conditions following the Dominion Government loan. A scarcity of large blocks of bonds has been experienced in the market and last week's movment to higher levels has continued. The demand has shown no sign of letting up, in spite of the rumors of Canadian National Railways financing.

The announcement that a $50,000,000 C. N. R. bond issue will be sold for capital and refunding purposes has been made, but the general opinion is that it will be offered in New York. The United States market has shown marked strength which with the present exchange rates has been sufficient to draw several new issues to that market.

Award Toronto Bonds.

A $3,000,000 issue of Toronto Harbor Commission bonds guaranteed by the City of Toronto was awarded to a syndicate headed by R. A. Daly & Co. The bonds bear interest at 4½ per cent., and are due September 1, 1953. They are payable as to principal and interest in New York, London, and Toronto. The price at which the bonds were awarded was 91.011, Canadian funds, or a basis of 5.08 per cent. The bids were:

R. A. Daly & Co., Kerr, Flemming & Co., Lee, Higginson & Co. (Boston), E. H. Rollins & Co., Spencer, Trask & Co., and the Bankers' Trust Co.	91.011
Wood, Gundy & Co., Harris Forbes & Co., and National City Co.	89.938
Dominion Securities Corp. and Dillon, Read & Co.	89.915
A. E. Ames & Co., Guaranty Co., Old Colony Trust, Ames, Emerick & Co., Estabrook & Co., Coffin & Burr, and Keen, Taylor & Co.	89.533
Aemilius Jarvis & Co., Dominion Bank, McLeod, Young, Weir & Co.	89.516
Matthews & Co., Halsey, Stuart & Co., First National Co., Equitable Trust Co., E. B. Compton & Co., Blyth, Witter & Co.	88.46

Sell Alberta Bonds

In accordance with a previous arrangement, an issue of $2,500,000 of Alberta bonds was sold by a syndicate, composed of Wood Gundy & Company, A. E. Ames & Company, Dominion Securities Corporation, and Dillon Read & Company in New York.

The bonds bear 5 per cent. interest and mature in 15 years.

Buy Ottawa Issue

An issue of city of Ontario bonds to the amount of $1,816,561.52 was awarded to a syndicate headed by Aemilius Jarvis & Co. The bonds bear interest at 5½ per cent., and mature in 30, 20, 15 and 10 years. The price paid for the total issue was $1,883,047.67, representing a bid of 103.66, Canadian funds. At this price the money is costing the city 5.11 per cent.

The bids were as follows.

Aemilius Jarvis & Co. and Syndicate	103.66
Wood, Gundy & Co. and National City Co.	103.209
Kerr, Flemming & Co., and Lee, Higginson & Co.	103.12
R. A. Daly, Hanson Bros., and Bank of Nova Scotia	103.095
A. E. Ames & Co.	102.885
R. C. Matthews & Co., Halsey, Stuart & Co., Blair & Co.	102.65
C. H. Burgess & Co.	102.61
Dominion Securities Corp., and Dillon, Read & Co.	102.57
W. A. Mackenzie & Co.	102.474
Nesbitt, Thomson & Co.	102.464
Gairdner, Clark & Co., McLeod, Young, Weir & Co., and Bell Gouinlock & Co.	102.33
Miller & Co., New York	102.13

Hamilton Sells Bonds

Tenders were awarded on $970,831 city of Hamilton 5, 5½ and 6 per cent. bonds, maturing in 20 and 30 years. The issue was placed at a cost to the municipality of approximately 5.24 per cent., the purchasers being Wood, Gundy & Co. at a price of 99.89. The tenders were:

Bids were received from the following firms:

Wood, Gundy and Co.	99.89
Dyment, Anderson; Bell, Gouinlock	99.785
McLeod, Young, Weir; Gairdner, Clarke & Co.	99.77
A. E. Ames & Co.	99.69
C. H. Burgess & Co.; Mcneill, Graham & Co.; Nesbitt, Thompson & Co.; W. A. McKenzie & Co.; Municipal Bankers' Corp.	99.61
Matthews & Co., Ltd.; R. A. Daly & Co.	99.57
National City Co.	99.35
Dominion Securities Corp.	99.268
Canadian Bank of Commerce	98.84

Aurora Issue

Aurora's issue of $106,000 5½ per cent. installment of 30-year bonds guaranteed by the county of York were awarded to Nesbitt, Thomson & Company at a price of 102.53.

Bids were:

Nesbitt, Thomson & Co.	102.53
Imperial Bank	102.528
Macneill, Graham & Co.	102.52
Matthews & Co.	102.29
W. C. Brent & Co.	102.16
Dominion Securities Corp.	102.07
C. H. Burgess & Co.	101.91
Wood, Gundy & Co.	101.84
Bell, Gouinlock & Co.	101.83
Sterling Bank	101.41
W. A. Mackenzie & Co.	101.27
McDonnagh, Somers & Co.	101.22
McLeod, Young, Weir & Co.	101.133
A. E. Ames & Co.	101.
MacKay & MacKay	100.75
National City Co.	100.63
Aemilius Jarvis & Co.	100.52

Winnipeg Bonds for N. Y.

The city treasurer of Winnipeg sold in New York a new issue of $1,000,000 Greater Winnipeg water district 5 per cent. bonds to finance an outstanding issue which matures February 9. The price received was 97.14. This means a yield in New York terms of 5.66 per cent. and in Canadian funds of 5.05 per cent.

Campbelltown's Bonds Awarded

The Aemilius Jarvis & Co. was awarded a $70,000 issue of the town of Campbelltown, N. B., 35-year, 5½ per cent. bonds at 102.11, the equivalent to 5.38 yield.

An issue of $40,000, 5½ per cent., 20-installment school debentures of Keewatin, Ont., has been purchased privately by Bird, Harris & Co.

WATERLOO.—An issue of $31,000, 5½ per cent., 10-installment bonds of Waterloo, Ont., has been purchased privately by Matthews & Co.

OXFORD COUNTY.—An issue of $36,000, 5½ per cent., 10-installment bonds, Oxford County, Ont., has been sold privately to Matthews & Co.

CUMBERLAND BONDS

Dyment Anderson & Co. have been awarded the issue of $8,796 6 per cent. 15-instalment bonds of Cumberland township on a bid of 103.07.

Dyment Anderson & Co.	103.07
Goss, Forgie & Co.	102.75
Bird, Harris & Co.	102.61
Macneill, Graham & Co.	102.55
W. G. Brent & Co.	102.44
Matthews & Co.	102.225
Stewart McNair, Reed & Co.	102.17
Bain, Snowball & Co.	102.10
MacKay & MacKay	100.61

Will Issue Drydock Bonds at Vancouver

The Wallace Shipbuilding and Drydock Company Ltd., which is building the big floating dock at North Vancouver, under the construction name of the Burrard Drydock Company Ltd., has assigned the subsidy to the Montreal Trust Company which is issuing serial bonds against the government grant.

Under the terms of the agreement between the department of public works and the Burrard Drydock Company Ltd., the Dominion Government agrees to pay to the drydock company a subsidy of 4 1-2 per cent. on $2,500,000, or $112,500 a year for thirty-five years.

The Drydock Subsidies Act, under which this contract was authorized, permits of bonds being issued against the subsidy for such an amount as the subsidy itself will retire for both principal and interest at the end of the subsidy period.

This is the basis on which a number of large drydocks have been built in Canada, the most recent being the St. John drydock in New Brunswick.

As the subsidy paid by the government of Canada is irrevocable and assigned absolutely to a trustee to meet the interest and principal of the bonds, the bonds are highly regarded in financial circles, selling close to the Victory bond issues in respect of price.

Why is Ottawa Borrowing?

The report from Ottawa that Hon. J. A. Robb, the acting Minister of Finance, is contemplating some important plans for refinancing the government debt, looking to relieving the burden and perhaps reducing taxes, provides interesting food for conjecture.

The various Dominion government loans are selling at such a price that purchase in the market at present prices would not save the government a great deal of money, except perhaps in anticipating the maturity of some of the earlier issues. These are selling around a 5½ per cent. basis, whereas the government could borrow now at very little over 5 per cent.

It may be that the government is planning to buy in as many tax exempt bonds as possible and finance the purchase by issuing taxable bonds. But the price that would be paid is so high that one would have to know just how much the tax exempt bonds cost the government each year to be able to express an opinion on the feasibility of the plan.

Another plan may be to purchase the government bonds now outstanding in England. There are $336,000,000 of government bonds payable in England only and advantage might be taken of exchange to buy these in and finance the deal by bonds sold in Canada or in New York. This would effect an immediate reduction in the debt and over a term of years a saving in interest charges.

Where there seems to be opportunity for a real saving would be in railway obligations. There are any number of 6½ per cent. and 7 per cent. bonds of the Canadian National Railways outstanding. For instance, there is an issue of $25,000,000 7's due in 1940 which are callable at 102½. It would be obviously good business to call these in and issue new bonds at present prices. There must be numerous other railway issues that could be handled in this way, and as the government is called upon to meet the interest charges of the National Railways such a transaction would be in order. It might also be found possible to redeem many millions of dollars of G.T.R. and C.N.R. bonds outstanding and payable in England only and to finance the transaction either by C.N.R. bonds sold in New York or by a government loan in New York and Canada. The money raised by the government at government rates of interest could then be loaned to the railway from the Dominion treasury.

Port Arthur, Ontario, Sherbrooke, Regina, Toronto and other provincial and municipal borrowers have made substantial savings in exchange by paying off their British obligations before maturity or at least buying them in at market prices and issuing instead bonds for Canadian or U.S.A. payment.

In connection with this suggestion of refinancing, it is worthy of passing remark that as each loan matures and is refunded by a new issue there is a saving in interest charges, for 5½ per cent. bonds are replaced by 5 per cent. bonds.

It might be argued that every endeavor should be made to meet the 1924 Victory Loan maturities without a new issue. This probably could be done out of the surplus revenues of this year and the balance might be met by borrowings from the banks that could be paid off out of surplus revenues in the next fiscal year. This would mean an ultimate saving of $5,000,000 a year in interest charges.

Offer Greening Wire Co. Preferred Stock Issue

New issues of 7 per cent. cumulative and redeemable preference shares of the B. Greening Wire Co., is being offered by Aemilius Jarvis & Co., and F. H. Deacon Company, at a price of 95 to yield about 7.40 per cent.

Application will be made to list these shares on the Toronto Stock Exchange.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi, 6's, 1940	95½	96½
Algoma Steel, 5's, 1962	25½	27
Brandram-Henderson, 6's, 1939	87	89½
Brompton, 8's, 1940	108	..
P. Burns & Co., 1943	97	100
Calgary Brew, 5's, 1942	76	79
Canada Steam, 7's, 1942	93½	94½
Chicoutimi, 6's, 1943	72	76
Can. Nor. Ry. Inc., 5's, 1930	50	51½
Can. Steel Fy., 6's, 1936	97½	..
Dom. Iron, 5's, 1939	69	70
Dom. Power, 5's, 1932	91	..
East Koot., 7's, 1935	97½	..
Frontenac Brew, 6's, 1951	..	84
H. Smith, 7's, 1941	98½	98½
Lake Superior, 6's, 1941	102½	..
Laurentian Pow., 6's, 1936	95	96½
Montreal Power, 5's, 1933	96	96½
Montreal Tram., 6½'s, 1924	101½	102½
Montreal Pub. Serv., 6½'s, 1924	99	100½
Montreal Water, 4½'s, 1932	89	..
Montreal Water, 5's, 1932	..	82
N.S. Steel, 6's, debs.	..	73½
Ottawa Gas, 5's, 1934	..	99
Price Bros., 6's, 1943	99	99½
Prov. Paper, 6's, 1940	99½	100
Quebec Pow., 6's, 1953	94½	94½
Saguenay, 6½'s, 1934	..	83
Shaw., 5½'s, 1950	100	..
Saguenay, 6½'s, 1931	..	..
Spanish, 8's, 1941	106	106½
St. Maur. Pow., 6½'s, 1933	103½	104
Shaw. Cott., 6's, 1949	75	81
Wind. Hotel, 6½'s, 1943	100	100½
West. Pow., 7's, 1926	96	..
Alabama, 5's, 1940	60	70
Belding, 5's, 1930	86	88
Belgo, 6's, 1943	94½	96
Brompton, 6's, 1939	96½	99
Bay Sulphite, 6½, 1943	..	81
Can. Light, 5's, 1949	75½	75½
Consumers Glass, 6's, 1935	..	..
Can. Car, 6's, 1927	97	..
Davies, 6's, 1942	85	87
Dom. Textile, 6's, 1949	102	..
Fraser, 8's, 1940	102½	103½
G.T.P., 4's, 1955	71½	..
H. Smith, 6's, 1934	98	..
Laut. Power, 5's, 1946	96½	97½
Maple Leaf, 6½, 1943	98½	100
Manitoba Pow., 7's, 1941	100	100½
Montreal Pub. Serv., 5's, 1942	81½	82½
Montreal Steel Works, 6's, 1940	99	..
Nor. Ont. Pow., 6's, 1931	91½	93
Ottawa Gas, 6's, 1939	99	..
Ont. Pulp, 6's, 1931	102½	..
Paton Mfg., 6's, 1952	90	93
Porto Rico, 5's, 1962	..	68½
Quebec Jac., 5's, 1931	84	90
Shawin. 5's, 1934	101½	..
Shawin. 6's, 1950	103½	..
So. Can. Pow. 6's, 1948	98½	..
St. Maur. Val. Cot., 6's, 1952	75½	76½
Tor. Pow., 5's, 1924	99	100
West. Pow., 5's, 1949	86	86½
Winnipeg Elec., 6's, 1943	90½	92½

TORONTO CURB MARKET

	Bid	Asked
Ashdown Hardware, 5's, 1928	94	..
Can. Machinery, 6's, 1940	..	75
Can. Salt, 7's, 1941	100	102
Dom. Sewer Pipe, 5's, 1927	94½	..
Dunlop Tire 6's, 1927	99	..
Eastern Car, 6's, 1952	88	93
Harris Abattoir, 6's, 1926	99	101
K. & S. Tire, 7's, 1935	78	85
Massey-Harris 8 p.c., 1930	100	102
Mattagami Pulp, 7 p.c. deb.	26	27½
Mattagami Pulp, 6's, 1937	63	68
Morrow Screw, 6's, 1931	80	..
Neilson, Wm., 6's, 1933	99	..
Pedlar People, 8's, 1930	101	..
Robt. Simpson, 5's, 1952	85	..

BOND MOVEMENTS OF THE WEEK

Week Ending January 15.

Bonds	Int. Rate	Due Year	Yield	1922 Range High	1922 Range Low	1923 Range High	1923 Range Low	Latest Ask	Latest Bid	Price High	Price Low
Asbestos	5	1942	6.50	100	76	90	79	—	80	83½	83
Can. Bread	6	1941	6.06	99	98½	100	96	100	99	99	—
Can. Cement	6	1929	5.30	100½	94	103½	100	—	102½	103½	—
Can. Cottons	5	1940	6.10	88½	82	90	85⅝	90	89½	88	—
Can. Car	6	1939	6.00	101	95	100½	99	—	99	100	—
Cons. Rubber	6	1946	6.12	100¾	88	102¾	99	98¾	98¼	98½	—
Cedar Rapids	5	1953	5.12	97½	93	98½	93	—	98	98⅛	97½
Dom. Iron	5	1929	8.04	94	82½	94	84¾	88	86⅛	85	—
Dom. Textile (A)	6	1925	5.85	101	97¼	100⅛	99¾	—	100	100¼	—
Do., (C)	6	1925	5.45	101	97½	100½	100	—	100	101	—
Ogilvie	6	1932	5.63	102½	101	104	102½	103	—	102½	—
Quebec Railway	5	1939	6.75	87¼	65½	83½	68	82½	—	83	81¼
Penman's	5	1926	6.65	94¾	90	97	93¾	95½	—	95½	—
Sao Paulo	5	1929	7.85	91½	80	90¼	86	87½	86	86½	—
Sher-Williams	6	1941	5.90	100	96	102½	99	—	100	101	—
Steel of Canada	6	1940	5.90	100¾	97	102½	99	—	101	101	—
Rio Janeiro	5	1935	6.96	87¼	81	87	82	—	88	84	—
Wayagamack	6	1951	7.70	88¾	71⅜	86¾	75	80½	80	80½	79¾
War Loan	5	1925	4.68	96.30	96.10	100.95	99.10	—	100.60	100.50	100.30
Do.	5	1931	4.85	99.60	96.25	101.80	99.80	—	101.00	101.00	100.65
Do.	5	1937	4.70	101.50	99.50	103.30	102.00	103.15	103.05	103.25	102.75
Victory	5½	1924	4.98	100.75	99.80	101.65	99.80	100.65	100.55	100.60	100.25
Do.	5½	1927	4.78	102.70	99.70	103.50	101.60	—	102.60	102.40	102.15
Do.	5½	1933	4.78	104.35	101.25	106.70	104.15	105.75	105.65	105.60	105.30
Do.	5½	1934	5.13	101.35	98.30	103.90	101.30	103.20	103.10	103.10	102.70
Do.,	5½	1937	4.71	106.55	103.00	108.45	106.25	108.10	108.00	108.17	107.96
Do., Renewal	5½	1927	5.14	101.10	99.40	102.80	100.75	—	101.00	101.25	—
Do., Renewal	5½	1932	5.17	101.00	99.70	103.15	100.80	—	102.35	102.00	101.75
Do., Refund	5	1928	5.07	—	—	99.70	98.30	—	99.70	99.90	99.40
Do., Refund	5	1943	5.01	—	—	99.25	97.90	100.00	99.90	100.00	99.60

Matthews & Co.,
Limited
GOVERNMENT, MUNICIPAL and CORPORATION BONDS
Toronto General Trusts Bldg.
255 Bay St., Toronto, Ont.

Government
Municipal Bonds
Unlisted Stocks
Bonds
Bought—Sold—Quoted
Our Mining Department has a complete Statistical Bureau.
Write us for information.
BALFOUR, WHITE & CO.
LIMITED
Investment Bankers.
136 St. James Street, MONTREAL.

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

FOUNDED HB 1883
Investment Advice
Forty years' experience in the field of Investment Securities qualifies us to furnish our clients with detailed particulars and sound financial advice concerning each and every market offering.
We invite your enquiries in this regard, and, if desired, we will gladly offer suggestions for a profitable re-adjustment of your holdings.
You incur no obligation by writing us and our entire organization is at your service.
HANSON BROS.
Investment Securities
160 St. James St. Montreal
63 Sparks St. Ottawa

Canadian Northern Railways
5% INCOME DEBENTURE STOCK
DUE MAY, 1930
Secured by mortgage covering undertakings and railways of this system, which is owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.
It is estimated that these lines will be self-sustaining in a few years, which opens up the possibility of a resumption of interest payments.
These debentures may now be obtained at prices to return an increase in capital of nearly 90% in less than 6¼ years and as the return is in the form of capital appreciation, the tremendous profit is NOT SUBJECT TO INCOME TAX.
Write at once for particulars, as an advance in price is imminent.
C.C. SMITH & COMPANY
LIMITED
Investment Bankers
17 St. John St. Montreal
PHONE · MAIN · 412

FOR BOND QUOTATIONS SEND TO
Toronto Bond Exchange
LIMITED
DOMINION BANK BUILDING
KING & YONGE ST., TORONTO

ARE YOU IN NEED OF CAPITAL?
We are prepared to assist you in securing the capital you require to make any good proposition successful, either by loan, partnership, syndicate, incorporation or otherwise.
DOMINION BROKERAGE COMPANY,
831N Federal Building, Toronto.
Adelaide 2322.

An Assured Market Guarantees Earning Power

We are offering in the First Mortgage 6½% Gold Bonds of the Western Quebec Paper Mills, Limited, a security which is backed by a market already assured to this company. Not only is the business, which this company proposes to do, of an essential character and its market stable; but its output is already assured by the enquiries from reputable customers.

All of the papers which this company proposes to manufacture are to-day imported under a duty charge of 25%.

Western Quebec Paper Mills will render this needless. No longer will it be necessary to export raw materials for manufacture, only to import them into Canada again for consumption. Western Quebec Paper Mills is therefore an essential industry.

WESTERN QUEBEC PAPER MILLS, LTD.
First Mortgage 6½% Gold Bonds due 1948.
Price—97 and Interest, yielding 6.75%.
Write for Circular.

Sterling Bond Corporation Limited
136 St. James St. Main — 2404
MONTREAL
147 Mountain Hill, Quebec. Telephone 4947.

BALANCE SHEET OF THE TORONTO MORTGAGE COMPANY

For the Year Ending 31st December, 1923

ASSETS

Office Premises in Toronto St., unencumbered		$45,000.00
Real Estate held for sale		None
Mortgages at face value, less provision for possible depreciation—		
Principal	$1,890,461.24	
Interest due	1,574.95	
		1,892,036.19
Loans on Stocks and Bonds		57,788.28
British 5% War Loan Bonds (£15,000)		72,817.49
Dominion of Can. and Provinces of Canada Securities		585,134.33
Canadian Municipality Debentures	$506,524.66	
School Dist. Debent're	1,500.00	
		508,024.66
Other Bonds and Debentures		55,743.35
Stocks fully paid up		69,000.00
Cash in Chartered Banks		112,215.85
Cash in Office		4,036.33
Total		$3,402,796.48

LIABILITIES

To the Public—		
Debentures Sterling— (£310,316-7-7)	$1,510,206.13	
Debent'r's, Curr.	237,167.65	
Deposits, Sav. Acc.	84,236.89	
Acc'd. Int. on Debs.	18,112.62	
Reserved for accr'd. Inc. Taxes	11,560.65	
		$1,861,283.94
To the Shareholders—		
Capital Stock Subscribed $724,550.00		
Capital Stock fully paid	$724,550.000	
Res. Fund 725,000.00		
Add. in 1923 25,000.00		
	750,000.00	
Unclaimed Divds.	79.25	
Div. decl'r'd & unpaid, due 1st Jan. 1924	18,113.75	
Profit & Loss Acc. Bal. carr'd. forw'rd	48,769.54	
		1,541,512.54
Total		$3,402,796.48

PROFIT AND LOSS ACCOUNT

Dr.

Int. (at par of Exchange) on Sterling Debs. paid & accr'd.	$79,749.12
Int. on Curr. Debs. paid & accrued	12,543.05
Int. on Deposits	2,860.70
Charges on Moneys borrowed and lent	7,880.09
Cost of Managem'nt, viz.— Salaries, Directors' and Auditors' fees, office rent, etc.	25,965.45
Dom. Prov. & Mun. Taxes, etc.	9,227.90
New Electrical Elevator Machinery	3,032,87
Dividends on Capital Stock at 10 per cent.	72.455.00
Transferred to Reserve Fund	25,000.00
Bal. carr'd. forward	48,769.54
Total	$287,483.72

Cr.

Bal. brought forw'd.	$54,605.73
Int. on Investm'ts. & net rental from office prem's.	232,877.99
Total	$287,483.72

W. GILLESPIE, Manager. W. FRANCIS, President.

Points worthy of special note are:—No real estate held for sale. Over 99 per cent. of the year's revenue collected in cash.

Financial Service

Many important industrial companies have appointed this Corporation as Trustee Registrar and Transfer Agent and in other corporate trust capacities.

We handle all details connected with the transfer and registration of security issues and act as agent for payment of dividends and interest Depository under re-organization agreements, Trustee for Bond issues, etc.

We invite your business.

THE TORONTO GENERAL TRUSTS CORPORATION

Head Office—Bay and Melinda Sts., Toronto.
Branches—Ottawa, Winnipeg, Saskatoon, Vancouver.

Manitoba Benefiting From Cattle Loans

WINNIPEG.—Manitoba is the first province in Canada to have a Cattle Loan company. It began operation this fall and up to December 31 had sent out 2,534 cattle, 573 sheep and some hogs. It not only loans farmers money to buy cattle for feeding, but helps to select them, secures them at the best price possible, gives new beginners the advice and assistance of an experienced feeder, who will visit the farms and will help farmers to market their cattle next spring.

In a New York letter, the company's manager advises borrowers that fewer cattle than usual are being fed in the United States; that foot and mouth disease in England has depleted supplies there, and that April and May demand should be good with May and June the best market months.

This is one of the many efforts now being made by business men in towns and cities to assist farmers to get on their feet. It is probably the only Cattle Loan company in existence in which no packer owns a share, according to the Manitoba Free Press.

CIVIC AND PROVINCIAL FINANCE

QUEBEC PROVINCE EXPECTS SURPLUS AGAIN FOR 1925

Province Added $5,000,000 to Debt During Year

From Our Own Correspondent.

MONTREAL. — Quebec province showed considerable increase in expenditures during its last fiscal year, and a small addition to the debt of the province. These were the chief features of the budget brought down in the provincial legislature by Hon. Jacob Nicol, provincial treasurer. A surplus of $1,444,366 was shown.

Quebec's provincial financial statements are always the envy of other provinces. Not only are revenue surpluses the rule rather than the exception, but the per capita expenditure and per capita debt figures are always well below the average for the nine provinces. The province has increased its expenditures on account of such services as roads, public buildings, education, and colonization, very materially during the past few years, the large profits derived from the administration of the liquor laws being utilized for these and other purposes.

Mr. Nicol's budget speech showed that on the 30th June, 1922, the funded debt outstanding was $55,604,926.27. On the 30th June, 1923, it was $60,605,226.27, being an increase of the funded debt outstanding of $5,000,300. The funded debt on the 30th June, 1923, consisting of bonds and stock outstanding of the various loans of the province, was $60,605,226.27, against which the sinking funds invested amounted to $3,408,945.60, leaving a net balance of the funded debt of $57,196,280.67. The net balance of the funded debt at the 30th June, 1923, is $4,471,028.73 more than the net balance of funded debt at 30th. June, 1922. This increase is accounted for by the issue of new bonds.

Estimates for the fiscal year ending 30th June, 1923, had anticipated an ordinary revenue of $15,531,738.38, and an ordinary expenditure of $12,329,284.02, showing an estimated surplus of $202,454.36. Whereas the actual results of the year's operations closed on the 30th. June last, were as follows: Ordinary revenue $21,634,641.52, ordinary expenditure $19,930,275.81, surplus $1,704,365.71. The extraordinary expenditure for the year, however, paid out of ordinary revenue, was $260,000, which gives an actual surplus of ordinary revenue over both ordinary and extraordinary expenditure of $1,444,365.71. The actual ordinary revenue was more than the estimates by $6,102,903.14, and the estimate of the ordinary expenditure was exceeded by $4,860,991.79.

The estimates of receipts and expenditure for the fiscal year ending 30th June, 1925, are: Ordinary revenue, $19,921,221.38.—Ordinary and extraordinary expenditure, $19,662,919.41, leaving an estimated surplus of $258,301.95.

Mr. Nicol made a plea for governmental and private economy. He said:

"No one could foresee what the world war would cost the country. It is now plain that all the nations engaged in it failed utterly in their estimates. The great business men of the country and of the world are revising their figures, but all are agreed that so long as the present uncertain conditions prevail in Europe, it will be necessary for Canada and the Province to exercise the greatest of care in their administration.

"The government of the Province of Quebec is not responsible for the existing conditions and we would not begrudge the price paid for Victory no matter how high it may come. It was worth it. But we must not be downhearted, we must face the situation as it is, be courageous and tell the people of the Province the true state of affairs and ask them to help by hard work and strict economy, not only in government, but in private and municipal expenditures.

"We hear some criticism these days of the amount of revenue raised by this government. On the other hand the demands made on the treasury for expenditures by various public bodies in the province are becoming more and more numerous from year to year. We know that many of the causes for which money is asked are worthy of our best attention. Yet if we were to respond to them all, more money would have to be raised. We must, therefore, refuse and ask those who desire us to reduce expenses to come to our support. The government should be supported in its efforts to keep to the middle of the road by a strong, healthy, public opinion."

HULL ASSESSMENT UP

OTTAWA—According to figures contained in the annual report of city assessor E. St. Jean, the total value of taxable property in the city of Hull is $18,117,589, of which $11,536,687 is on improvements, and $6,581,902 on real estate. This is an increase of $667,269 over the year previous.

ENDORSE POWER BY-LAW

Vernon, B.C., ratepapers voted on two by-laws at the first of the year. Both were passed and will involve an expenditure of $31,000 for electric power.

Toronto Mayor Favors Lower Taxes and Debt

In his inaugural address, Mayor Hiltz, of Toronto, strongly asserted the need for a reduction in taxation and the bonded debt. He referred to the publicity given to the fact that the city's funded debt stood at over $160,000,000. The fact that $160,000,000 of bonds were outstanding and in the hands of the public, has a great bearing on the issue and distribution of more bonds. Each year for the past three years the city has marketed between $20,000,000 and $30,000,000 worth of bonds. He believes this condition cannot continue, as it is too great a strain on the city's credit.

Vancouver Takes More Steps to Reduce Debt

VANCOUVER. — According to A. J. Pilkington, city comptroller of Vancouver, the total debenture debt on January 1, 1924, shows that the move toward substantial reduction is well under way, $2,533,514.07 being paid off in 1923 and a further amount of $1,693,813.40 remaining to be paid off in 1924. The total debt jumped from $22,510,752.21 in 1913, to $35,412,576.45 in 1916. It remained almost stationary until 1922, when $455,010.63 was paid off and with the further large payments in 1923, at the beginning of 1924 the total debenture debt stands at $32,845,499.17.

By the end of 1924, it is hoped that 13.26 per cent of the total debenture debt as it stood at the beginning of 1922 will have been paid off, thereby reducing the total annual charges for sinking fund and interest by 25.43 per cent.

Business Prospects in North Never Better

The T. and N. O. railway, running through Northern Ontario mining and agricultural sections, has just completed the best year in its history, the net operating revenue being the biggest the railway has ever had, and the physical condition of rolling stock and equipment was never better. Lt.-Col. L. T. Martin, D. S. O., a T. N. O. commissioner, says that whatever business conditions and the outlook generally may be in other places, in Northern Ontario there is no cause for complaint and prospects were never better.

Not only is the mining development in Northern Ontario proceeding apace, but settlement on the agricultural lands in the rich clay belt is going ahead. At Gardiner, 18 miles beyond Cochrane, one colony of 35 families from Bruce County, Ontario, took up land and are getting away to a good start.

Nelson, B.C., Finished 1923 With a Surplus

NELSON.—This city ends 1923 with a surplus of $25,000 according to an announcement made by Mayor L. H. Choquette.

During the year $80,000 was spent on schools and $40,000 on the construction of a civic power line extension to supply light to residents of Procter and Balfour, twenty miles away, and power to the Florence Silver Mining Company at Ainsworth. This work is now nearing completion. While the extension cost $60,000, the Florence company gave the city $20,000 cash as four years' advance payment of a minimum charge of $5,000 and this money was applied to the work.

Through the money spent on schools and power line, the bonded indebtedness of the city was increased from $642,000 in 1922 to $762,000, but the expenditures on the power line is more than offset by a guaranteed revenue from the residents supplied with light.

Again the bonded indebtedness of $762,000 is in the sinking fund, $406,000. The revenue-producing utilities are bonded for $498,000, but this is taken care of by these utilities themselves through their revenue.

Tenders and By-Laws

TENDERS WANTED

Jan. 22, County of Renfrew.—$100,000, 5½%, 20-yr. debentures. R. J. Raney, County Clerk, Pembroke.

Jan. 24, Prince Rupert.—$156,000, 6% serial bonds, 5-ins. D. J. Matheson, Treasurer.

Jan. 28, Township of O'Brien, R. C. Schools.—$35,000, 5½%, 30-yr. debs. O. Frs. Paquette, O.M.I., Sec. Board of Trustees, Kapuskasing. (See announcement on page 16.)

Jan. 21, Windsor.—$1,037,214, 5 and 5½%, 10 and 20-ins. bonds.

Jan. 21, Oakville.—$55,000, 5½ per cent., 20 and 30-yr. debentures. J. L. Barnes, Town Clerk.

DEBENTURE NOTES

Chilliwack, B.C., is selling $30,000 of 5½ per cent. bonds to local investors to provide for the repayment of the township's share of twenty-five per cent. of the cost of the hardsurfacing of seven miles of road. The total amount payable is $40,000, but it is proposed to secure the balance through the general account.

ACCOUNTING SYSTEM OF ALBERTA CHANGED

Seek to Strengthen Control of Executive Council Over Departmental Expenditures

According to a letter sent out by Hon. E. G. Reid, provincial treasurer of Alberta, since the completion of the special audit made in 1922, several important changes have been made in the Accounting System of the province, in order to strengthen the control of the executive council over all departmental expenditures.

The accounts will be placed on a revenue and expenditure basis. Revenue will consist of cash collected on income account during the fiscal year. Revenue earned, but not collected, will be considered as a deferred asset until collected.

Expenditure will include all liabilities incurred during the fiscal year. This will preclude accounts being carried over from one fiscal period to the next, as such accounts will be charged to and form part of the expenditure of the year to which they belong.

In the past accounts held over have encumbered the estimates of the succeeding fiscal period, and this will be prevented automatically by the new system.

Purchasing Agent

The appointment of a purchasing agent is contemplated, and it is expected that substantial economies will be effected by the control and centralization of purchasing. At the present time, however, a supervision of purchases will check and assemble statistics relative to all governmental purchasing until such time as purchasing department is established The auditor's office will conduct a pre-audit of all proposed purchases, in order to charge against departmental appropriations all proposed expenditures before orders are actually issued.

The establishment of a Central Accounting Office will provide the machinery for the executive council to control effectively all revenues and expenditures of the province. Assets, liabilities, revenues, and expenditures will be properly recorded, and statements prepared periodically to reflect the exact financial position of the province.

Point Grey Collects 92 Per Cent. of Taxes

Tax collections of Point Grey, B. C., for the past year were 92 per cent. of the levy, leaving approximately $100,000 of taxes outstanding.

Commencing the year with a bank loan of $120,000, for which no levy was made, and is still due to the bank, an additional loan of $50,000 had to be secured to complete the year's work.

To provide for these loans the council passed a resolution setting aside all uncollected taxes as security. These consist of tax arrears for 1922 and prior, $46,833; corporation property yet to be sold, $77,247; provincial government taxes, $108,056, and the balance of this year's taxes of $100,000.

B.C. Distributes $809,654 Among Municipalities

The portion of revenues collected by the provincial government of British Columbia for the municipalities has now assumed substantial proportions.

The municipalities' share of liquor profits for the last six months, and of pari-mutual and motor taxes for the last year, amount to $938,590. This is a big increase over the distribution made at the end of last year, when $809,654 was handed over to the cities and organized districts.

The money distributed to municipalities since the first of the month was made up as follows:

Liquor profits for six months ending September 30, $466,331.

Share of motor taxation for the last twelve months, $293,666.

Share of taxation on race track betting, $223,593.

The government's assistance to hospitals also has shown a big increase. This year, for six months ending September 30, it amounts to $119,856, as against $178,152.

Fort William Taxpayers Reject Several By-laws

In reviewing the municipal election results in Fort William, the Port Arthur News-Chronicle says:

"Indicating their views that a stop should be put to unlimited expansion of the municipal bond debt, Fort William ratepayers on Monday defeated every by-law that proposed the expenditure of money. They went so far, indeed, as to refuse to confirm the expenditure of $28,000 already spent in electrifying the stub railway taken over by the city from a private company some time ago."

It is understood that the vote will force a material change in the administration's plans for 1924. However, it must be recognized and is in line with the general tendency exhibited by ratepayers in recent months, in rejecting proposals to spend money.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date—	Place—	Sold To—	Rate	Term	Amount	Price	Basis
Jan.	—Oxford County	Matthews & Co., Toronto	5½%	10-ins.	$36,000	..	..
Jan.	—Nelson, B.C.	Locally	5½%	..	30,000	98.80	..
Jan.	—Keewatin, Ont.	Bird, Harris & Co., Toronto	5½%	20-ins.	40,000	..	..
Jan.	—Waterloo	Matthews & Co., Toronto	5½%	10-ins.	31,000	..	..
Jan. 10	—Campbelltown	A. Jarvis & Co., Toronto	5½%	35-yr.	70,000	102.11	5.38
Jan. 12	—Greater Winnipeg Water		5%	..	1,000,000	97.14	5.66
Jan. 10	—Ottawa	A. Jarvis & Co. and Syndicate	5½%	10-30-yr.	1,816,561	103.66	5.11
Jan. 12	—Cumberland Twp.	Dyment Anderson & Co., Toronto	6%	15-ins.	8,796	103.07	..
Jan. 14	—Hamilton	Wood, Gundy & Co., Toronto	5%	12-yr.	972,000	99.89	5.28
Jan. 14	—Aurora	Nesbitt, Thomson & Co., Montreal	5½%	30-yr.	106,000	102.53	..
Jan. 15	—Toronto Harbor Com.	R. A. Daly & Co., Toronto	4½%	30-yr.	3,000,000	91.011	5.08
		Provincial					
Jan. 15	—Alberta	New York Syndicate	..	..	2,500,000	..	..

Our Trading Department

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

Offerings of Victory Bonds of 1933 or 1937 are especially invited.

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)

Canadian Northern Railways
5% INCOME DEBENTURE STOCK
Due May, 1930.

Secured by mortgage covering undertakings and railways of this system, which is owned and operated by the GOVERNMENT OF THE DOMINION OF CANADA.

These debentures may now be obtained at prices to return an increase in capital of nearly 90% in less than 6½ years.

Price and complete information will be mailed upon request.

HOUSSER WOOD & CO. LIMITED
INVESTMENT BANKERS
ROYAL BANK BLDG. TORONTO

MURRAY & COMPANY
Specializing in Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8280 - TORONTO

BURNETT PORTEOUS & COMPANY
Members Montreal Stock Exchange
17 St. John St.
MONTREAL

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3871

MARITIME SECURITIES
Bought, Sold, Quoted.
Thomas, Armstrong, & Bell LIMITED
1-3-5 Market Square. St. John, N.B.

Let Collateral Certificates Protect You

The matter of business failures is of grave importance to you; more so, is the means of ensuring freedom from the losses entailed.

Write for booklet, "Lessening Credit Losses."

MERCANTILE BONDS LIMITED
Temple Building
BRANTFORD, ONT.

STRICTLY A POLICYHOLDERS' COMPANY

Organized 1869. Opened for Business 1870.

Our Company was established on a purely mutual basis with the sole aim of securing for its members sound life insurance at a minimum cost. There are no stockholders. Profits are allotted to policyholders annually. All approved features are incorporated in our policies, including disability benefit and double indemnity in case of accidental death. The Company has a remarkable record of steady expansion in business, increasing payments to policyholders and growing assets, which last item includes a magnificent surplus—all of which is credited to the members of the Company. After testing other methods of profit-distribution, the management has decided to adhere to the annual dividend system. A very substantial increase in dividends has been decided upon for 1924.

The Mutual Life Assurance Company of Canada
Waterloo :: Ontario

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$80,000,000.00
Policies Issued from $500 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

About 250,000 Members

in Canada and the United States enjoy fraternal and every form of insurance protection in the Maccabees, operated on adequate rate basis. Attractive options. Policies, benefits and rates are fully explained in our free literature.

Write for it today to The Maccabees, Confederation Life Bldg., Toronto.

Insurance in Force: over $200,000,000
Join the Maccabees
Fraternity & Protection
Benefits Paid over $140,000,000

Choose an Executor Who Never Grows Old

THAT friend of yours—the brilliant, capable business man—is at the high tide of his powers. Mental power has matured; physical power has not begun to wane. It is natural that you should consider naming him as your Executor.

But does it occur to you that the tide ebbs for a man just as surely as for the sea? Suppose you live for another twenty or thirty years—will he be the same executor then that you choose now?

The Canada Permanent Trust is exempt from old age. It retains the wise counsels of its older Directors. It is constantly recruited with the vigor of youth. Twenty-five years from now—as now—it will be equipped to handle your affairs with skill and prudence.

You cannot foretell the future of any man you know. Give your estate and your family the services of an Executor whose future you can foretell:—

THE CANADA PERMANENT TRUST CO.
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager Ontario Branch - A. E. HESSIN

Make Wise Provision For Your Family's Future

It is the greatest gift in your power to bestow.

They may not see it; they may never even hear of it. But if a certain day should come, then they would remember and understand.

They would find that you had made your will, putting your wishes for their welfare into the tangible form of direction to your executor; that careful plans had been made to protect for their benefit your property, life insurance, and other affairs; that the burdens of estate management would be attended to by this Trust Company, one sympathetic and considerate in all its dealings with them.

They would know their inheritance was in safe hands.

CHARTERED TRUST & Executor Company
46 King Street West, Toronto
Branches at Kitchener and Waterloo
HON. W. A. CHARLTON, President. JOHN J. GIBSON, G'n.Mgr.
STRENGTH SERVICE SECURITY
W. S. MORDEN, K.C. Vice President and Manager of Trust Dept.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - - $6,500,000

INSURANCE FOR BUYER AND SELLER

ENTIRE VILLAGE IS PROTECTED BY VARIED POLICIES

Separation of Insurance Classes Overcome by Affiliated Companies

An entire village, together with thousands of unique art objects and 24 world-famous actor-artists—the Passion Players of Oberammergau and the replica of their little Bavarian hamlet—has been placed under the protection of the affiliated Ætna insurance companies, during its tour of America, illustrating the extent to which insurance may be used as a stabilizing factor.

All of the insurance carried on the village; on the lives and health of the artists; on the valuable carvings, paintings, tapestries, and potteries; on the baggage, properties, equipment; and even the public liability insurance on the thousands of visitors to the exhibit, has been placed in these companies, much of it before the miniature village and its inhabitants left the valley of the river Ammer.

The life insurance—both ordinary and group—includes policies on Anton Lang, the Christus of the Passion Play; Andreas Lang, Sr., who plays the part of Peter; Guida Mayr, the Judas, and 21 other Oberammergauers.

The art objects insured include wood-carvings, paintings, tapestries, furniture and potteries. These, with the little houses, each one a duplicate of the combination home and work-shop occupied by the artists in Oberammergau, are being shown in various American cities.

Multiple Selling

The wide coverage secured in this case brings forward the question of how many classes of insurance any company should write. On this point opinions differ widely. In England, where insurance experienced an early development, companies issue various classes of policies including life, fire, personal accident, etc. Of course each class is handled by a separate department, but the risk is borne by the same legal body. Such a basis of organization appears satisfactory there, as the selling is not done by a highly trained selling staff as in Canada and the United States. Much of it is counter business and the insurance man assumes the role of an expert adviser rather than a salesman.

In America quite a different development has taken place. In Canada life insurance has been separated from other classes and companies have been prohibited by law from writing life insurance and any other class. As a result a group of strong companies have been built up which accept only life insurance. In addition fire insurance companies have grown and extended their field to cover the many kinds of casualty risks such as accident, automobile, surety, credit, etc. In the United States a still greater division has been made. Life insurance companies are restricted to insuring the lives of persons, fire insurance companies to insuring property against damage through fire, accident companies to giving protection against accidents of various sorts, etc.

Recent Changes

However, certain deviations from these lines have been effected. In Canada several English companies began selling both life and fire insurance before the restrictions were put in force. These have been allowed to continue this, but most have neglected to push their life business and others have dropped out of it entirely. For a time the companies were allowed to add a disability clause to their life policies for a small extra premium, but the amount of this was limited. The Insurance Act has now been changed so that a larger disability allowance may be granted. In addition, the companies are now allowed to include a double indemnity clause providing for payment of twice the face amount of the policy where the insured dies as a result of an accident. Several companies have taken advantage of the change and are now adding these clauses for a small extra premium.

Similarly, fire insurance companies have been extending their field to include other lines, with the result that some companies now issue ten or twelve classes of policies. In one case this includes fire, accident, sickness, guarantee bonds, elevator and general liability, automobile and fire, and employer's liability. In the United States the same extension of powers has not been secured, but the same end has been attained by organizing several companies under the same control and management. In some cases the same selling organization acts for all the companies in a group.

It is in following the latter plan that the Ætna companies secured the insurance on the Passion Players. While the Ætna Life Insurance Company operates in Canada, the other Ætna companies have not entered this field yet. The Travelers companies of Hartford, operate both in the United States and Canada on this basis, although they have not yet entered the fire field.

Future Development

The future development is the subject of much speculation from time to time. Sponsors of the American plan point out the economic advantages of an insurance man being able to look after a client's insurance needs entirely. It places him more in the position of an advisor and makes it possible for the companies to secure a great deal more business at a lower selling cost. In other words it eliminates much wasteful selling. It also absolves the insured from the necessity of interviewing numerous insurance men each month when he is once sold on entrusting his business to any particular group.

On the other hand Canadian insurance authorities maintain that the life insurance business is so different from other classes as to justify a complete separation. They point out that it is based on mortality rates calculated on the experience of many years, which may be estimated with a high degree of accuracy far in advance. This, they say, demands an investment policy regulated to meet the demands as it is expected they will arise. Moreover, life insurance largely includes the idea of saving and investment as well as protection, involving the accumulation of immense sums of money. Such is not the case with other insurance companies They exist for protection only, and that is against unexpected losses which vary widely under different conditions, requiring entirely different investment policies. In following this basis the life companies have developed strong selling organizations, the members of which are employees of the company rather than independent brokers. Each represents one company only. On the other hand those engaged in selling other classes of insurance act more in the capacity of brokers, usually representing several companies.

CANADA LIFE BROKE PREVIOUS RECORDS

Agency Forces Greatly Extended—Open New Loaning Offices—Death Losses Low

Figures presented to the shareholders of the Canada Life Insurance Co., at the annual meeting in Toronto last week, show the year 1923 to be the greatest in the company's history. The total insurance issued was $94,217,000 and the amount paid for was $79,176,000. The amount issued is an increase of $16,810,458 over 1922 and it is greater than any previous year. The insurance in force was increased by $51,000,000 to $412,435,275.

The company's total income was $20,575,138, which is an increase of $2,584,986 over 1922. Payments of $9,136,344 were made under policies in settlement of claims, endowments, dividends, etc. The assets now total $94,248,960, an increase of $7,594,463, a larger gain than that of any previous year. Policy reserves total $80,696,036, an increase of $6,679,612. The surplus, including payment to policy holders during 1924 amounts to $8,176,901 and the net surplus earned in 1923 was $2,813,902.

The features of the company's business for the year, as outlined by the president, H. C. Cox, were the unusually low death losses and the strengthening of the selling organization, especially in England.

The investment position of the company is excellent, according to the figures quoted by Mr. Cox. He showed that the method of valuation of securities is extremely conservative, and there is a considerable margin between the book and present market values of a number of the holdings.

Loaning offices were opened in several cities to take advantage of offers.

In commenting on the growth of insurance he said:

"The growing extent to which the people of this continent are making use of the facilities of life insurance is indicated by the increase of 20 per cent. in the amount sold this year, as compared with 1922. The almost incredible growth of the institution in all its branches demands and offers ample opportunity for the ablest minds in the fields of management and salesmanship, and its success would seem to indicate that such minds have been attracted to it. Most companies have adopted some more or less effective method of preparing and equipping all who enter their service, with the result that a highly trained body of men and women are daily offering to the public a most intelligent and intelligible presentation of the varied uses of life insurance."

Deceased Insurance Official Well Known

The insurance business in Canada has lost one of its best-known officials in the death recently of William H. Evans in Toronto. On leaving Upper Canada College, Mr. Evans joined the staff of the British American Assurance Co., with which both his father and his grandfather were previously connected. Later he became joint manager for Ontario of the Commercial Union Assurance Co., and subsequently resided in Montreal for ten years as joint general manager for Canada of the same company.

INSURANCE LICENSES

The following insurance licenses have been issued:—

The United British Insurance Company, Limited, to transact Automobile Insurance; The Yorkshire Insurance Company, to sell Guarantee, Burglary, and Sprinkler Leakage Insurance; The Queensland Insurance Company, to issue Sprinkler Leakage Insurance; and The Autocar Fire and Accident Insurance Company to sell Sprinkler Leakage Insurance.

INSURANCE MEN MEET

The annual congress of the New Brunswick Underwriters' Association was characterized by some able addresses by some of the best known insurance men in Canada. Among those who delivered addresses were: James McCamus, Hamilton, general secretary of the Canadian Life Underwriters' Association; O. P. Goucher, a Montreal life underwriter; Edward Merwick, district manager of the Mutual Life Insurance Co., Hamilton, and president of the Canadian Life Underwriters' Association.

INSURANCE FUNDS LARGELY RETURNED TO COMMUNITIES

Small Proportion of Huge Sums for Expenses and Profit

The heavy losses incurred by fire insurance companies during the past three years have aroused comment on the question of how much money the insurance company takes out of a community. The company with its head office frequently situated in a distant city is sometimes placed in an unfair light in comparison with local companies on the grounds of taking money away.

A booklet issued by the Ætna Companies of Hartford contains interesting information in this connection. It says in part:

"The small amount of money taken from a locality by an insurance company has been a surprise to many people. An investigation conducted by a committee in Illinois developed that 95c. out of every dollar collected for a fire insurance premium, for example, remained in the locality. Only five cents was taken by the insurance company for its home office uses, the rest of it being paid back in losses, expenses, commissions and other obligations. These amounts vary for various forms of insurance, yet it is difficult to find any class where over 25 per cent of the premium collected is retained or taken out of the locality, and even this percentage, which is used for financial strengthening purposes and equipment needs, is returned in a constructive way through investments made in American industries."

Figures For 1922

The proportion of fire insurance premiums which is returned in most parts of Canada is now higher than for many years. In 1922 the premiums received by all companies operating in the country totaled $51,036,206, and the losses incurred were $35,174,938, indicating a loss ratio of 68.92 per cent. In other words, out of each $100 received as premiums, $68.92 was paid out in claims. Add to this from 20 to 30 per cent. paid to agents, usually in the locality, as commissions, the money spent in the community by adjusters, inspectors, etc., of the companies, and literature distributed, and little is left for the companies.

This, of course, assumes an even spread of losses. While those in any district may be relatively high or low in a particular year, the average does not vary widely in comparison with any other district. In 1922 the loss ratio in Canada was distributed as follows:

Alberta	67.50
British Columbia	43.68
Manitoba	69.58
New Brunswick	89.69
Nova Scotia	68.62
Ontario	71.08
Prince Edward Island	100.51
Quebec	76.14
Saskatchewan	51.56
Yukon	22.36

Variations in the class of heavy losses also occur. At the present time farm losses have become more serious. In 1923 the general loss ratio will show a slight reduction to approximately 65 per cent., but the farm loss ratio was around 120 per cent. The importance of this to the property owner is seen in the results which have followed. Several insurance companies have discontinued accepting risks on farm property, while others have increased their rates, and many farmers' mutual companies have made extra assessments.

Money Spent In Prevention

In some branches of casualty insurance, a considerable part of the premiums is spent in services in each community. This follows from a theory that the insurance company should not only indemnify for losses but also prevent losses as far as possible. Bearing this out, the boiler insurance companies spend approximately 50 per cent. of premiums on inspection. Surety companies have spent much money investigating the records of persons on whom they propose to issue bonds, although this service has largely been dropped recently.

In the case of life insurance companies, much larger sums are taken from a community. However, from this must be deducted heavier commissions to local agents. Moreover, much of this money is returned at some time in cash surrender values, payment of claims, etc. The proportion has been reduced by the heavy lapses in the early policy years, when little money is returned. This is already a serious problem which merits attention from the companies and the public alike.

In addition to the big returns to policyholders, all insurance companies pay heavy provincial and municipal taxes. These are so great that an official of one large fire insurance company, which operates in Canada, proved to the New York insurance department that the company pays more money as taxes than the salary and wage expenses of its entire head office staff.

The final service of the insurance companies to a community is through their investments. Huge sums are loaned all over the country on mortgage security, while much of the money for financing governments, municipalities and business undertakings also comes from this source.

A fair consideration of the facts will lead anyone to a conclusion that the insurance company is not a drain on the finances of a community but rather is it a great marshaller of funds, providing credit and help to those weakened by unforeseen losses, and extracting as its price for this service but a small fraction of the moneys collected and distributed.

FREDERICK M. MOFFAT
Trustee in Bankruptcy
LIQUIDATIONS COLLECTIONS
OSCAR HUDSON & COMPANY
Toronto London Hamilton Montreal St. John, N.B. Winnipeg Vancouver

When selecting a Trust Company as an Executor choose one whose fixed policy is to give
Financial Assistance
to Estates being administered by it
PAID UP CAPITAL AND RESERVE $1,240,000
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office, Winnipeg.
Branches: Saskatoon, Regina, Edmonton, Calgary, Vancouver and Victoria.

FIRE AUTOMOBILE MARINE
British America Assurance Co. (Incorporated 1833)
British Empire Underwriters Agency
St. Lawrence Underwriters Agency
Western Assurance Company (Incorporated 1851)
Head Offices: 22 Wellington St., East, Toronto
INLAND TRANSPORTATION RIOTS and STRIKES EXPLOSION

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. George, Superintendent of Agencies

USE TIGER LEAK PROOF WOVEN CORD TIRES
Guaranteed for one year. Prices and particulars forwarded to you by request.
Tiger Tire & Rubber Co. Ltd.
43-44 Adelaide St. W., Toronto.

When Remitting BUY CANADIAN NATIONAL EXPRESS MONEY ORDERS

SECOND OF SEVEN
Winnipeg is the headquarters of seven splendid life companies, all safe to insure with.
The Northwestern, although the youngest, was second to construct its own home office building.
NORTHWESTERN LIFE
WINNIPEG, MAN.

Canadian Companies Join Ad. Conference

Insurance companies have recently been paying special attention to advertising with a view to determining how much benefit it has to offer them and the most satisfactory forms. Last year an insurance advertising conference was organized in the United States, and it has been active in publicity work. Clifford Elvens, publicity manager of the Imperial Life Insurance Company, Toronto, is a member of the executive committee and has been instrumental in having seven Canadian companies join the conference.

For many years Canadian companies have built up confidence and an appreciation of what insurance means by advertising. So important is this phase of the business that a combined campaign was begun three years ago and has been continued. A somewhat new development is the direct advertising of specific policies, giving terms, rates, etc. Companies using this plan report a gratifying response.

The results in Canada and the United States have been carefully watched by British insurance men and plans are now under way for the formation of an English insurance body. It is expected that insurance will play an important part in the deliberations at the convention of the Associated Advertising Clubs of the World in London next summer.

MARITIMES WANT GRAIN MOVEMENT VIA EAST PORTS

Maritime Club Formed to Back Up the Demand

RESTORE PROSPERITY

Meeting at Halifax Drops Political Prejudice to Work for Revival of Industry and Better Times

From Our Own Correspondent.

HALIFAX.—While Vancouver is striving to develop its port as the Pacific route for grain shipments, the Maritimes are being aroused to the importance of increasing the grain traffic to the Atlantic ports. Political partizanship is being laid aside and at a meeting of a representative group of prominent citizens and business men in this city steps were taken toward finding out the cause of the industrial and business depression in the East.

The situation was faced in a straightforward and earnest manner, as it has never before been faced in this city. Preparations were made to find the solution of three fundamental questions. First, what is economically wrong with the Maritimes? Second, what are the most important objectives to be aimed at? Third, what means shall be adopted to obtain those and further objectives?

The chairman, H. S. Congdon, who has made a more thorough investigation and study of the Maritime situation than any other man in the provinces, presented the case. He pointed out that the industrial condition of the provinces—not entirely through lack of enterprise on the part of those engaged—was most unsatisfactory and getting worse. In Halifax, for instance, there were fewer industries than since the time of the Confederation, only one large industry, that of Moirs Ltd., having survived the ravages of time. As a result population has dwindled and most of the natural increase has had to be exported.

Develop Eastern Ports

By the terms of Confederation, Mr. Congdon pointed out, the Maritime Province ports had an unquestionable right to the trans-Atlantic trade of the Dominion during the months the St. Lawrence River was closed. At the present time 80% of the grain grown in Canada is going through American ports, chiefly through New York, the Portland route getting only about 7%. The balance was divided among St. John, Montreal and Vancouver. Montreal's great grain shipments, claimed to be the largest in the world, were made up mostly of United States grain which was shipped toll-free through Canadian canals to Montreal, thence to be transported to European markets and there to compete with Canadian grain shipped via the United States. If the Canadian people can afford to provide taxes for the upkeep of canals for the passage of American grain which must ultimately lower the price for the Canadian grower, surely it would be possible to lower the rates on Canadian grain from the prairies to Eastern Canadian ports when such a step would greatly benefit both the western grower, the ports in question and the Dominion in general.

Nearly all of the citizens present emphasized the need for a thorough study of conditions with the object of finding some solution. Some felt that the formation of a distinctly Maritime political party would be the only solution, but the majority recognized the prime necessity of a thorough investigation into the whole question. For that purpose the meeting unanimously endorsed the formation of a Maritime Club in Halifax which would work in conjunction with similar organizations in New Brunswick, Prince Edward Island and throughout the East.

Two Per Cent. Bonus is Paid by British Mortgage

A continued increase in profits for 1923 is reported by the British Mortgage Loan Company of Ontario. Under the circumstances the directors not only paid the regular dividends of 12 per cent. per annum but an additional bonus of 2 per cent. Following are figures from the profit and loss account:

	1923	1922	1921
Net profits ...	$88,853	$85,145	$70,581
Bal. forward ..	6,435	3,385	2,801
	$95,288	$88,528	$73,382
Divdends	60,000	60,000	60,000
Bonus	10,000	....	....
Reserve.	20,000	20,000	10,000
Premises	....	2,093	....
Balance..	5,288	6,435	3,382
	$95,288	$88,528	$73,382

Eight Years' Record

Year	Paid-up Capital	Profits	Div.	% on Cap.	Earn. Rate
1923 ..	$500,000	$88,853	12+2	17.7	8.7
1922 ..	500,000	85,145	12	17.0	8.5
1921 ..	500,000	70,581	12	14.1	7.3
1920 ..	500,000	92,[illegible]50	12+2	18.5	9.8
1919 ..	500,000	82,953	12	16.5	9.1
1918 ..	500,000	73,823	10	14.7	8.2
1917 ..	500,000	62,984	10	12.5	7.9
1916 ..	450,000	63,944	9	14.2	8.3

Debentures outstanding and deposits increased materially, the total being $2,706,610 compared with $2,490,693 at the end of the previous year. The reserve fund is now $20,000 greater than the paid up capital of $500,000.

German firm of Berger & Wirth granted right by Soviet to operate dye and paint factory in Petrograd formerly owned by that company, as well as rights to market products in Russia and abroad.

PRICE SITUATION IS ODD IN SUGAR

Refineries Faced With High Price Levels for Their Raws During Coming Year

From Our Own Correspondent.

MONTREAL.—Sugar refiners are watching sugar prices very closely, for the present situation, while not acute, is nevertheless serious. The refineries have entered the New Year with raw sugar prices at between 4½ and 5 cents, while a year ago raw sugar was about 3½ cents a pound. Obviously, when much of the profit or loss in sugar refining comes from fluctuations in the market price of raw sugar there is better prospect of profit for the refineries when raws are low in price than when they are at present rather high levels. It has been a "seller's" market in raw sugar for the past few years, with violent price fluctuations that have kept the refiners guessing.

Recent declines in refined sugar prices coming simultaneously with increasing prices in raw sugar have presented an odd situation, but not one that is easily explained. Some little while ago raw sugar prices declined precipitously from 5½ cents to 4½ cents a pound. Refined sugar did not follow at once. Recently there has been a downward movement in refined sugar, but at the same time the raws have been reacting after their sudden drop.

Despite the present situation in raw sugar the various refineries, of which Atlantic Sugar is the only one with a substantial investment interest, are facing the year with confidence.

Sugar consumption in Canada is estimated at 700,000,000 to 800,000,000 pounds per annum. Exports normally run to about 500,000,000 pounds per annum, but are at present at only about half that rate.

Plans Advanced For The New St. John Hotel

From Our Own Correspondent.

ST. JOHN.—A meeting of those interested in the promotion of the Admiral Beatty Hotel in St. John, was recently held in Montreal. At this meeting, plans were exhibited, and the specifications are now being awaited. About two weeks will be necessary for the preparation of the specifications. This hotel, which is expected to be the biggest and most modern hostelry in the maritime provinces, is sponsored by Thomas, Armstrong and Bell, stock and bond brokers of St. John. Operation will be through the United Hotels Company. V. G. Cardy, general manager of the Mount Royal Hotel, of Montreal, is interested in the project, representing the United Hotels Company.

The new hotel will be built on the site of the Dufferin Hotel, one of the oldest of maritime provinces hotels. This building will be razed in the near future, being now unoccupied. Construction will be started in March, and it is believed the hotel will be ready for occupancy during the late summer or fall.

DETROIT UNITED

Increase in fares on Detroit United Railwa interurban lines between Detroit and Toledo and between Detroit and Jackson from 2 cents to 2⅜ cents a mile will be put into effect January 15, according to an order of the State Public utilities Commission. Increase from 2 to 2½ cents a mile on other divisions of the Detroit United became effective January 10.

25 YEARS SUCCESS OF THE TORONTO MORTGAGE CO'Y.

Dividends Doubled and Reserve Funds are Trebled

A substantial increase in earnings and in net profits is shown in the twenty-fifth annual report of the Toronto Mortgage Company. The company has completed a quarter of a century of progressive, substantial growth. During that period not only have the dividends to shareholders been doubled—from 5 per cent. to 10 per cent.—but the reserve fund has trebled—from $250,000 to $750,000. On the year's returns the company was able to add an additional $25,000 to reserve without materially reducing the balance which still totals nearly $50,000.

	1923	1922	1921
Earnings	$232,877	$223,479	$222,110
Interest	95,153	92,861	88,931
Charges	7,880	7,156	4,625
Expenses . ..	25,965	24,626	22,885
Taxes	9,228	10,550	9,338
Written off	......	......	4,935
Elevator mach.	3,032	......	......
	$141,258	$135,193	$130,714
Net profits .	$ 91,619	$ 88,286	$ 91,396
Bal. forward	54,605	38,774	37,588
	$146,224	$127,060	$128,984
Distribution—			
Dividends .	72,455	72,455	65,209
Reserve ..	25,000	......	25,000
Balance ..	48,769	54,605	38,774
	$146,224	$127,060	$128,984

Seven Years' Record

Year	Paid-up Capital	Net Profits	Div.	% on Cap.	Earn. Rate
1923 ..	$724,550	$91,619	10	12.7	6.0
1922 ..	724,550	88,286	10	12.2	5.9
1921 ..	724,550	91,396	9	12.6	6.4
1920 ..	724,550	93,385	9	12.9	6.7
1919 ..	724,550	90,172	8+1	12.5	6.7
1918 ..	724,550	89,542	8	12.4	6.6
1917 ..	724,550	90,824	8	12.6	6.9

It may be pointed out that 99 1/3 per cent. of the company's revenue for 1923 was collected in cash by the 31st of December, leaving only $1,575 unpaid out of a total of $232,878; this constitutes a record. The company has no property whatever on its hands for sale for the 17th year in succession.

During the year, liabilities to the public increased from $1,775,484 to $1,861,283. There was some reduction in deposits on savings account but both sterling debentures and currency debentures increased. The company increased its loans on mortgage considerably and also loans on stock and bonds as well as Dominion and provincial securities, but holding of municipal and school debentures were reduced.

Export Prices Down—Import Prices Higher

The Canadian Bank of Commerce index number of wholesale prices for mid-December was 164.67 for imports, as against 163.15 for the previous month; and for exports 147.07, as against 148.25. The number for imports and exports combined was 155.87, as against 155.70.

The predominance of agricultural products among exports accounts for the greater part of the decline in this index number; on the other hand, the number for imports, which reflects to a large extent industrial commodities, has risen as a result of higher prices for cotton and wool and for several of the metals.

SHAREHOLDERS AS ADVERTISING FIELD

A Valuable and Often Neglected Factor in Developing Consumer Market

The plan of advertising to stockholders to make them sales missionaries as well, is a growing practice, says Printers' Ink. A stockholder, with no active connection with the company, can scarcely be expected to be familiar with all of its products unless he is continually reminded. The American Can Company is said to make more than 40,000 products. The Du Pont interests, the Westinghouse Co., Armour and Company, Sherwin-Williams, and other organizations, make hundreds of items.

The General Motors Corporation, with its seventy-eight divisions, subsidiaries, and allied companies, has long recognized the value of stockholders as sales boosters. It announces a plan which will make it easier for every stockholder to know his company's line. The announcement states "the manufacturing divisions have shown they are members of the family by a line under their signatures, which reads Division of General Motors Corporation. The manufacturing members of the family have placed their individual trade-marks upon their product. But there has been no emblem of identification linking together all the products, thereby indicating that they are members of the family. With the familiar trade-marks of the motor cars sponsored by General Motors there will now appear a ribbon after this fashion: "Product of General Motors."

This extra trade-mark is called the stockholders' trade-mark by the company. A more usual term for such an idea is the "tieing trade-mark." The experience of the United States Rubber Company, and others, indicates that the general public does not become unduly excited about two trade-marks on one product. When the company family numbers more than 150,000 people, however, such an additional identifying mark is likely to have a worth-while effect upon interested persons, such as employees, distributors and stockholders. A widow lady in Okmulgee owning twenty-five shares of General Motors stock may know all about the Buick, the Cadillac and the Chevrolet, as dividend earners for her, but may not know that if she can influence the sale of an Oldsmobile, or an Oakland, she is also helping the company in which she is part owner. The stockholders' trade-mark may well help in such cases.

Recognition of stockholders and employees as sales missionaries and users as advertisers, and the use of what we have called the "Stockholder's trade-mark," suggests an interesting trend in modern merchandising.

SASKATCHEWAN
1923
WHEAT CROP

VALUE OF CROP $164,204,000.00
Dominion Bureau's Estimate

Actual moneys received from wheat by Saskatchewan (freight and handling charges deducted) to Nov. 30th, 1923.
$121,604,935.44

There is still over 91 million bushels of wheat in Saskatchewan

Here's a Customer with MILLIONS TO SPEND!

Now, her season's work done, Saskatchewan has time to read your message. The next few months will be months of planning for the future—seeking new ways to lower costs and increase production—providing necessities and comforts for the home and personal use—and buying luxuries deservedly earned by a season's toil.

Now is the time to tell the people of Saskatchewan the merits of your goods.—Right now while they have plenty of time and money.

When you advertise to Saskatchewan use Saskatchewan papers and eliminate waste. No other method is so economical as these two great Saskatchewan dailies.

REGINA LEADER-POST *In the South*
SASKATOON STAR-PHOENIX *In the North*

Eastern Advertising Representatives:
Toronto—E. J. Guy, Royal Bank Building
Montreal—C. A. Abraham, 232 St. James Street

Fifty Dollars a Month

(Guaranteed to you by the Canada Life)

How Fifty Dollars a Month looks to the Average Man

Age 20—Happy on Fifty Dollars a month.

Age 21—Fifty Dollars a month is not enough.

Age 35—Thinks he can easily afford to "spend" Fifty Dollars a month

Age 50—Things are not going as well as they were.

Age 55—Strange how these assets have depreciated! Fifty Dollars a month is good interest on $10,000, and not to be despised.

Age 60—He finds Fifty Dollars a month pension, added to what income is left, brings happiness.

You know of men well up in years who are still "drudging along". They cannot stop if they would, but must go on to the end of their days working for a living. You can avoid that.

Why Not Pension Yourself?

Why not "take stock" of your present financial position—to size up your personal affairs and decide on a plan for the future?

Our New Pension Plan

guarantees that upon reaching a certain age in life, you will receive a *monthly* cheque for $50.00, $100, $200, $250—as you may now decide—and this monthly payment cannot cease as long as you live.

An Income for Life

Think what it may mean to you to be certain of an income right up to the end of life, when you consider that 97% of people in their later years are partially or wholly dependent upon others for support.

When they were younger they did not have the chance now offered you. It was not then possible to secure such a convenient and certain provision as this Monthly Pension Plan.

And This is Not All

Suppose some day before you reach age sixty you meet with a mishap and become totally and permanently disabled through accident, illness or any cause, (Such a thing has happened soon after men have secured this new policy of the Canada Life.) Immediately, the payment of further premiums would be cancelled. The Canada Life would become responsible for sending you $50.00, $100, $200, $250, a month, as arranged, for the rest of your life.

There are many other benefits.

An average deposit of only a few dollars a month will return you $50.00 a month later on.

Do Not Pass This By

Canada Life

Home Office TORONTO

FILL UP — CUT OFF — MAIL TODAY
Canada Life Assurance Company, Toronto

BUILDING PERMITS ISSUED IN DECEMBER

Final Building Figures for 1923

Eastern Cities

	Dec. 1923	Dec. 1922	Change	1923 (12 months)	1922 (12 months)	Change (12 months)
Maritimes—						
Halifax	$ 17,090	$ 34,950—	$ 17,860	$ 378,709	$ 1,752,632—	$1,373,923
Moncton	9,700	17,430—	7,730	384,711	1,037,941—	653,230
Sydney	3,485	65,550—	62,065	319,162	604,847—	285,685
Quebec—						
Montreal	1,780,525	2,011,940—	231,415	27,125,863	21,132,586+	5,993,277
Quebec	88,810	1,194,755—	1,105,945	4,786,933	5,397,566—	610,633
Sherbrooke	68,150	7,000+	61,150	732,100	712,000+	20,100
Westmount	48,750	93,100—	44,350	1,933,232	1,771,032+	162,200
Ontario—						
Brantford	9,685	9,410+	275	615,686	465,420+	150,266
Chatham	30,000	44,450—	14,450	265,867	366,317—	100,450
Fort William	270,450	6,200+	264,250	1,425,050	1,444,885—	19,835
Galt	7,000	320,887—	313,887	135,631	731,706—	596,075
Hamilton	195,750	169,060+	26,690	5,452,930	4,928,465+	524,465
Kingston	19,347	4,660+	14,687	649,233	701,495—	52,262
Kitchener	41,865	46,070—	4,205	1,893,892	2,461,721—	567,829
London	89,805	134,300—	44,495	3,261,065	2,605,630+	655,435
Oshawa	285,685	25,000+	260,685	1,923,110	1,155,130+	767,980
Ottawa	401,550	165,200+	236,250	3,521,817	5,021,782—	1,499,965
Peterboro'	14,885	1,825+	13,060	295,447	439,154—	143,707
Port Arthur	5,085	151,730—	146,645	2,640,321	1,167,529+	1,472,792
Sarnia	43,210	50,275—	7,065	791,470	880,260—	88,790
Sault S. Marie	2,860	1,775+	1,085	401,032	588,813—	187,781
Smith's Falls	28,000	......+	28,000	68,305	88,760—	20,455
St. Catharines	53,282	16,200+	37,082	806,310	1,293,576—	487,266
St. Thomas	3,850	6,075—	2,225	330,439	210,714+	119,725
Stratford	2,720	11,025—	8,305	509,272	700,527—	191,255
Toronto	2,021,830	1,841,885+	179,945	30,609,227	35,237,921—	4,628,694
Welland	860	41,700—	40,840	206,105	362,371—	156,266
Windsor	168,075	121,578+	46,497	4,728,934	4,144,035+	584,899
Woodstock	4,160	20,147—	15,987	309,588	242,965+	66,623
York Twp.	348,500	372,500—	24,000	8,921,650	11,167,700—	2,246,050
Tot. 30 E. cit.	$6,064,964	$6,986,677—	$ 921,713	$105,423,091	$108,815,480—	$3,392,[illegible]

Western Cities

	Dec. 1923	Dec. 1922	Change	1923 (12 months)	1922 (12 months)	Change (12 months)
Manitoba—						
Brandon	$ 3,500	$ ......+	$ 3,500	$ 183,036	$ 225,029—	$ 41,993
St. Boniface	6,875	4,250+	2,625	510,353	552,663—	42,310
Winnipeg	37,950	37,350+	600	4,484,100	6,875,750—	2,391,650
Alberta—						
Calgary	6,200	1,294,700—	1,288,500	821,840	3,102,700—	2,280,860
Edmonton	12,150	123,000—	110,850	1,488,670	2,338,109—	849,439
Lethbridge	9,515	100+	9,415	259,685	213,695+	45,990
Med. Hat	......	25,000—	25,000	28,907	41,700—	12,793
Saskatchewan—						
Moose Jaw	500	6,300—	5,800	289,398	378,180—	88,782
Prince Albert	......	650—	650	261,280	119,593+	141,687
Regina	8,850	13,070—	4,220	1,264,030	1,784,124—	520,094
Saskatoon	3,800	21,150—	17,350	852,548	1,818,909—	966,361
Weyburn	400	......+	400	19,055	48,985—	29,930
Yorkton	......	1,500—	1,500	47,945	137,445—	89,500
British Columbia—						
Kamloops	2,765	1,400+	1,365	100,678	145,415—	44,737
Nanaimo	579	1,275—	696	136,957	85,981+	50,976
Vancouver	584,957	57,510+	527,447	6,277,574	8,661,695—	2,[illegible]4,121
Victoria	27,970	32,000—	4,030	1,050,160	1,033,004+	17,156
Tot. 17 W. cit.	$ 706,011	$1,619,255—	$ 913,244	$ 18,076,216	$ 27,562,977—	$[illegible]86,761
Gr. T. 47 cit.	$6,770,975	$8,605,932—	$1,834,957	$123,499,307	$136,378,457—	$[illegible]9,150

RUSSIAN CONCESSIONS AID TO PROPAGANDA

Civic Federation Would Learn if Americans Help the Soviet

WASHINGTON.—Additional pleas for a searching investigation of Communist activity in the United States and Canada have been made by Conde B. Pallen, chairman of the Committee on Russian Affairs of the National Civic Federation, asking the Senate Committee to include in its investigations an examination of American citizens who have obtained concessions in Russia, "with a view to determining what part, if any, these citizens are taking in the promotion of propaganda for Soviet recognition."

In view of the activity of certain Canadians who are alleged to have the informal endorsement of the Canadian government, and who are seeking concessions, and who are carrying on pro-Russian activities towards the recognition of the Soviet, the action at Washington will undoubtedly be of interest.

Dr. Pallen said that four months ago Karl Radek, one of the dominant spirits in the Communist Internationale, and Gregory Zinoviev, its chairman, had appeals published in the Worker, a Communist weekly, urging the mobilization in the United States and Canada of "sufficient masses of militant workers to secure the victory of the Communist revolution" and the launching of a daily paper as "the rallying point for concentration of all forces at the present time."

"It is not difficult to surmise if the Communist leaders publicly urge such mobilization of forces that their secret pronouncements go much further," Dr. Pallen said.

He cited this to contradict the charge of George Tchitcherin, Soviet Foreign Minister, that a letter of Zinoviev, urging formation of "fighting units" here, made public by the State Department, was a forgery.

Vladimir Semsinoff, member of the central committee of the Socialist Revolutionary party, who has just arrived in Washington from Moscow, says that the Soviet has arranged to dupe visitors by dressing up Moscow for foreign inspection so that Americans and Canadians who visit Russia see only the smart and get only the information the Soviet desires them to have.

WOOLLENS TARIFF BENEFITS THE U.S.

Canadian Imports of British Products More Than Twenty Times Per Capita Those of States

While Great Britain exports to Canada 2.84 sq. yards of woollens and worsteds for each person in the country, the imports in the United States from the British makers are only .12 per capita of population. This is advanced by the Canadian Woollen Manufacturers' Association to show the effects of the American protective tariff. The monthly bulletin of the association will say:

During the first ten months of 1923, Great Britain exported to Canada under the special low duties granted to Great Britain a greater yardage of woollen and worsteds than Great Britain exported to any other country, according to the figures compiled from the Bradford Chamber of Commerce Journal.

In the following list is given the sq. yards exported by Great Britain to each country, the population of the country, and the amount per head of population:

Woollens and Worsteds

Exported by Great Britain in the first ten months of 1923.

	sq. yds.	Pop.	sq. yds. pr. hd.
Canada	24,147,800	8,500,000	2.84
Japan	22,832,500	57,000,000	.41
China	16,556,200	441,000,000	.03
Australia	15,259,900	6,500,000	2.68
U. S.	14,702,200	117,000,000	.12
Argentine	12,856,800	8,700,000	1.47
Belgium	4,692,100	7,685,000	.58
B. E. I.	4,097,800	2,140,000	1.91
New Zealand	4,002,500	1,220,000	3.28

Great Britain exports to Canada the greatest actual yardage and more yardage per head of population than to any other country but New Zealand.

When it is considered that the amount of yardage exported by Great Britain into Canada would keep 20,000 workers employed on full time throughout the year if the work were done here, it will be seen why your employees are enquiring about positions in the United States.

GREAT CANADIANS STRESS UNITY

(Continued from page 1)

reorganization decided upon by the new government of Ontario. In the meantime the exposures of the recent activities in college halls came before the Governors last week. The authorities denied disloyal activities, and in any event, they argued, they could not be held responsible if foreign propagandists came to address students, even if under the protection of individual professors or members of the Senate. It is doubtful if the loyal professors, students and the taxpayers of the province generally will accept this explanation, particularly as it now transpires that the man Blanchard, who claimed falsely to represent Labor and formed a branch of Mrs. Wischnewetzky's League for Industrial Democracy at Hart House, was really introduced by an officer of the Students' Christian Movement in the University—a body that has recently been so much criticized for some of its suspicious associations and activities, that loyal students are refusing to have anything to do with it. It was under members of this movement that some very doubtful German-Russian students came to Toronto University two years ago and inspired one of them led the "No More War" parade.

Packers Getting Small Profits on Operations

CHICAGO.—Although sales of Swift & Co. in fiscal year ended November 3, 1923, were $100,000,000 or 15 per cent. in excess of the previous year's, and tonnage handled was 16 per cent. greater, margin of profit was so reduced that earnings of $13,-184,629, or $8.79 a share on the 1,-500,000 shares of capital stock outstanding, were only a slight increase of $135,412, or 1 per cent., over the previous year's. This was the result of higher wages and a declining hog market.

Nevertheless, inventories were increased less than 5 per cent. to $90,-653,967, while hog receipts were 30 per cent. larger.

BELL RIGHTS SAME AS A $5.00 BONUS

Shareholders Can Buy One Share at Par for Each Five Shares Now Held

From Our Own Correspondent.

MONTREAL. — The new stock issue of Bell Telephone Company indicates the manner in which shareholders of this public utility stand to benefit from time to time by something in excess of their ordinary dividends. By precedent, if not by legislation, Bell Telephone's dividend rate is fixed at 8 per cent. There is little likelihood of it being increased. This means that the additional speculative advantages to shareholders must come from such "rights" as are given to them by the present plan.

Holders of five shares of Bell Telephone are given the right to subscribe to one share of new stock. This makes the rights worth about $5 or more per share of stock held, and the arrangement is as good as a dividend bonus of that amount. The plan, briefly outlined in the words of President Lewis B. MacFarlane, is as follows:

"Owing to the continued demand for telephone service as shown by an increase of over 51,000 subscribers' stations in the year 1923, the largest growth in the history of your company, your directors, at a meeting held at the office of the company on 9th January, 1924, acting under the powers conferred on them by the stockholders, decided to offer to its stockholders additional shares of its capital stock, as follows:

"Each stockholder of record at the close of business Thursday, January 31, 1924, will be entitled to subscribe for new stock at par ($100 per share) in the proportion of one share of such new stock for each five shares of stock then held as shown by the books of the company.

"The subscription privilege will expire at the close of business Tuesday, April 1, 1924."

LARGER FUNDS FOR LOANS ON MORTGAGE

Improved Conditions Reflected in Annual Report of Canada Permanent

The improvement in conditions in the mortgage field is reflected in the annual report of the Canada Permanent Mortgage Corporation which shows considerable increases in funds on both sterling and currency debentures, thus enabling the company to expand its mortgage loans. These developments are indicated in the following summary:

	1923	1922	1921
Deposits	$7,047,740	$7,284,884	$6,729,651
Deb. ster.	14,726,432	13,893,350	12,547,187
Deb. curr.	6,402,986	4,791,919	4,468,116
Deb. stock	850,719	841,242	844,087
Sundries	5,192	10,055	7,480
Cap. stock	7,000,000	7,000,000	7,000,000
Reserve	7,000,000	7,000,000	7,000,000
Div. pay.	210,000	210,000	210,000
Balance	405,954	354,155	271,136
Assets			
Mortgages	$36,454,669	$34,081,900	$32,994,084
Loans	187,235	205,431	264,070
Bonds and stocks	3,923,178	3,774,591	2,255,399
Real estate	792,002	769,676	579,595
Offices	852,874	762,874	762,874
Cash	1,439,064	1,744,133	2,221,635

Profits for the year increased under more favorable conditions. Following are comparative figures:

	1923	1922	1921
Net profits	$ 911,798	$ 908,010	$ 896,366
Bal. forward	334,156	271,136	154,770
Distribution—			
Dividends	840,000	840,000	780,000
Balance	406,954	334,155	271,136
	1,245,954	$1,174,155	$1,051,136

Eight Years' Record

Year	Earnings	% on Cap.	Div.
1923	$911,798	13.01	12
1922	903,019	12.90	12
1921	896,366	x13.79	12
1920	854,277	14.23	10
1919	827,983	13.79	10
1918	824,523	13.73	10
1917	852,325	14.20	10
1916	866,126	14.44	10

x $6,000,000 for first six months and $7,000,000 for second six months.

B.C. Growers Disposed of 5,000 Cars in 1923

Fruit and vegetable growers of the interior of B. C. fared fairly well in 1923 in disposing of their crops. They had 5,000 cars of fruits and vegetables, and entered 1924 with only about 15 per cent. of these remaining on hand. Prices ranged low, but generally were in keeping with the prices of other agricultural products. The heavy peach crop from California, dumped into the West, made the handling of the B. C. crop difficult. Ultimately, the whole crop was sold on the prairies at a cost which brought the growers about the primary cost of reproduction. The growers are going to attempt to build up their own selling organization on the prairies with the idea of cutting costs and thus allowing them a profit. They aim to eliminate cutting of prices.

NEW BOND HOUSE

Mr. Duncan C. Reid has formed a company under his own name for dealing in Government, municipal and corporation bonds and Canadian and American stocks.

BANK of HOCHELAGA

FORTY-NINTH ANNUAL MEETING

BEAUDRY LEMAN, GENERAL MANAGER, COMMENTS ON THE PROGRESS OF THIS INSTITUTION—NET PROFITS 15% OF PAID UP CAPITAL —INCREASE OF OVER $3,600,000 IN SAVINGS DEPOSITS—LIQUID ASSETS OF OVER $32,600,-000 ARE EQUAL TO 51% OF LIABILITIES TO THE PUBLIC — TOTAL ASSETS, $72,547,000, SHOW AN INCREASE OF $5,000,000 OVER LAST YEAR. THEY HAVE MORE THAN DOUBLED IN TEN YEARS.

The forty-ninth annual general meeting of the shareholders of the Bank of Hochelaga was held at the Head Office in Montreal, on Tuesday, Jan. 15, at noon.

After the usual formalities, the President called on the General Manager, Mr. Beaudry Leman, to read the Annual Report, in part as follows:

PROFIT AND LOSS ACCOUNT

Profit and Loss Account shows net profits of $600,121.62 for the financial year ending Nov. 30, 1923, and the corresponding figures for 1922 were $604,830. The net profits for 1923 are equal to 15% of the paid-up capital, as compared with 15.12% in 1922. These net profits represent 7.28% of the capital, reserve and undivided profits. The Bank's profits are practically the same as last year. It may be pointed out, however, that our Bank, like all the other Canadian banks, has had to face a material increase of its general expenses, due to heavy additional taxation, increased salaries and expenses of all kind, without reducing the rate of interest on deposits nor increasing the average interest rate on loans.

BALANCE SHEET

A comparison of the Balance Sheets for the last two years shows the following changes:—The total of notes of the Bank in circulation, which was $5,362,000 in 1922, amounts to $6,256,000 in 1923. The corresponding figures for 1921, 1920 and 1919 were $6,507,000, $7,167,000 and $7,-936,000 respectively. These figures follow closely the trend of trade which reached its highest point of activity in 1919, decreasing gradually until 1922; and it is encouraging to observe that 1923 shows signs of business revival.

Deposits, which amounted to $53,-570,000 in 1922, total $56,721,000 in 1923. The relative figures for 1919 are $50,475,000, for 1920 $56,276,000 and for 1921 $55,150,000. The total of our deposits at the end of November last is the highest ever recorded at that date, notwithstanding that important deposits of the Federal Government amounting to over $2,000,000 at the end of October were withdrawn in the course of November for the redeeming of the Government Bonds, to the amount of $175,000,000, maturing Nov. 1, 1923. It is gratifying to note that, in the course of the year, our savings deposits increased by $3,637,-000. This shows a very encouraging progress of thrift in our Province, and we may congratulate ourselves on the increasing measure of confidence which the saving public has in our institution.

We are also pleased to draw your attention not only to our deposits, which are the principal item of our liabilities, but also to the various items of our assets, the analysis of which shows our constant endeavor to afford all desirable protection to our clients.

Gold, current coin and Dominion notes amount to $6,008,576, as against $5,933,000 last year. Our total cash assets exceed $13,000,000.

Our liquid assets, aggregating $32,-653,000 as against $27,818,000 last year, are equal to 51% of our liabilities to the public. This increase is represented almost entirely by Bonds of the Federal and Provincial Governments, and by Debentures of Municipalities and School Commissions.

Our current loans total $34,254,000, as against $35,138,000 in 1922, $39,-654,000 in 1921 and $40,503,000 in 1920. This gradual falling off in the total of our current loans, which has also been experienced by the other banks, might lead one to believe, either that credit facilities have been restricted, or that the number of borrowers has been decreasing. The explanation is to be found elsewhere, since the number of clients in our discount department has increased, and since all reasonable demands for credit have always been, and continue to be welcome. We note, however, with great satisfaction that manufacturers, merchants and business men in general realize more and more the necessity for them to build up a working capital proportionate to their turnover, and to use banking facilities only for their temporary needs.

The total assets of the Bank amount to $72,547,000, which is an increase of $5,016,000 over last year, said increase being represented almost entirely by quick assets.

To show the progress of our Bank, comments would be useless; it suffices to recall that the total assets were $31,890,000 in 1913 and $33,323,000 in 1914. The assets of the Bank have, therefore, more than doubled in ten years.

THE BANK ACT REVISION

The Parliament of Canada, as you are well aware, proceeded, at its last session, with the revision of the Bank Act. The Banking and Commerce committee has studied thoroughly the function of credit and the banking system in Canada. The Committee sat for over three months. It went through a considerable volume of evidence, and studied various theories which, in the opinion of their authors at least, would have promptly solved the most arduous problems. The Committee also heard bankers to whom experience had taught that, in the economic field, it is elementary prudence to seek progress in evolution rather than in revolution. It is seldom wise to put aside the lessons of experience and to improvise solutions. The various propositions submitted to the Committee could not be dealt with in this report. Two schools of thought were in presence, the one involving a policy of monetary inflation, the other an impracticable stabilization of the purchasing power of money. Monetary inflation is not new. Its consequences may be observed presently in Russia, in Germany and in other European countries. In the United States and Canada, the effects of inflation have also been felt, in a small measure, from 1918 to 1920, and the inevitable reaction was felt from 1921 to 1923. As to the stabilization of the purchasing power of money, all bankers and economists recognize that wide and sudden price fluctuations create a disturbance which it would be desirable to attenuate. In fact, they try to do so, to the largest extent possible. But they are at a loss to understand how this could be arrived at by suppressing the stable basis of money, represented by a fixed weight of gold, and to replace it by an unstable unit, determined by the average price of a group of commodities. Moreover, this ingenious plan would be practical only if adopted simultaneously in all civilized countries. An agreement to this effect is not likely to be reached in the near future. The above indications show the importance of the problems raised in connection with the study of the Bank Act, and the necessity for everyone to familiarize himself with economic questions which are liable to affect, sooner or later, the interest of the community as well as those of the individuals.

After a careful study of each paragraph of the Bank Act and a close examination of the criticisms that have accumulated in the last ten years, no fundamental change has been made in our banking system. Parliament has modified, however, a great number of the stipulations of the Bank Act with the view of affording a greater measure of protection to the public. Parliament has imposed upon the Banks the obligation of having their transactions audited by two auditors appointed by the shareholders, whereas formerly the law required only one. Moreover, it has defined more precisely the responsibilities of bank directors and officers. We have the legitimate satisfaction of having, for the last ten years, voluntarily applied the measures of protection which Parliament now makes compulsory. We have always had, since 1913, two auditors of very high standing.

We wish to state that the new provisions of the Bank Act have in no way altered the ethics of those concious of their duties and responsibilities.

When a bank carries on part of its operations through a subsidiary, law now requires that the financial statement of said subsidiary be annexed to the financial statement of the Bank, and that the latter submit a report thereon to its shareholders. You will have noticed; in glancing over the present annual statement, that we had no additional particulars to give you, and that our former statements gave the public and yourselves full information regarding our Bank.

BUSINESS REVIVAL

The indications of business revival, revealed by the analysis of the transactions of the Bank, are confirmed by statistics. Crops generally have been more abundant than last year, especially wheat, the production of which reached for the first time 480,-000,000 bushels. However, prices of agricultural products have been lower than a year ago, leaving in many cases a small margin of profit to the producer. In the course of our remarks, last year, we drew your attention to the large disproportion existing between the remuneration of agricultural production and that of industry. An equilibrium has not yet been established between these two branches of economic activity. We hope, for the general welfare, that it will soon be established. In the Province of Quebec, the value of agricultural products shows a reduction when compared with previous years, the value of the crops being estimated at about $200,000,000 in 1921, $165,000,-000 in 1922 and $143,000,000 in 1923.

On the other hand, the position of the lumber, pulp and paper industry is more satisfactory. In these lines, production has increased and prices have been more remunerative. Prospects are encouraging, and we have every reason to hope that our lumber, pulp and paper will readily find profitable markets in 1924.

Building operations have been very active in 1923. The value of new buildings in Canada is estimated at $314,-000,000, of which $102,000,000 is in the Province of Quebec, and $27,000,-000 in the city of Montreal alone, where it touched the highest figure ever recorded.

The foreign trade of Canada is in progress. Official statistics for the eight months ended Oct. 31 are as follows: $1,004,000,000 in 1921, $1,-128,000,000 in 1922 and $1,304,000,000 in 1923. While in 1921 imports exceeded exports, in 1922 and 1923 we have had a favorable trade balance. However, the value of our exports to the United States is still considerably below that of our imports. This unfavorable balance amounted to $170,-000,000 in 1921 and to about $209,-000,000 in 1923. It is partially and temporarily compensated by the sale of Government, municipal and industrial securities, which continue to be in great demand among our wealthy neighbors to the South. These conditions explain the fluctuations of exchange between Canada and the United States and the premium on American funds.

THE AMALGAMATION WITH LA BANQUE NATIONALE

In closing their report your Directors invite your most serious consideration of the contemplated amalgamation with La Banque Nationale. You have been called to attend a special meeting which will be held on Thursday, Feb. 21 next, to consider this transaction, as provided by law. The examination of the details of the contract to-day would be premature.

Your Directors believe, however, that it is their duty to state that they had to face a serious problem and that, after an exhaustive study of all its aspects, they had to find a solution without delay. The public statements of the Board of Directors of La Banque Nationale, that of your Directors and that of the Prime Minister of the Province have given the outline of the proposal of La Banque Nationale to sell its assets to La Banque d'Hochelaga. The contract, a copy of which has been sent to you, is complete; it embodies the whole transaction, and your Directors have no hesitation in recommending its ratification. The proposal was well received by the public and by business men of the highest standing.

For over half a century La Banque Nationale has rendered our Province, in the economic field, services which should not be forgotten. It possesses assets of a moral and business character which should not be ignored or underestimated.

Our Bank, thus enlarged, will extend the field of its activities and gain influence in Canada and in foreign countries. Your Directors adopted a constructive policy which should increase the strength of our own institution already well entrenched.

THE NATIONAL CITY COMPANY CANADA

In Constant Touch

Few investors are in a position to keep in close touch with economic, political and financial developments the world over—all of which continually affect the value of their investments.

The National City Company through its world wide offices and affiliations is in constant touch with these developments, and is therefore in a position to be of special service to its clients.

Our illustrated booklet "Bonds and Bankers" will give you full particulars.

Write our office at 112 St. James Street, Montreal or at 10 King St., E. Toronto—for a copy.

The National City Company Limited

MONTREAL — QUEBEC OTTAWA — TORONTO

Advisory Board

SIR JOHN AIRD
A. J. BROWN, K.C.
SIR CHARLES B. GORDON, G.B.E.
HON. SIR LOMER GOUIN, K.C.M.G., M.P.
CHARLES R. HOSMER
WILMOT L. MATTHEWS
LT.-COL. HERBERT MOLSON, C.M.G., M.C.
FRED W. MOLSON
SIR AUGUSTUS NANTON
EDSON L. PEASE
W. N. TILLEY, K.C.
HON. J. M. WILSON

Wolvin Denies He Will Sell Out to McDougall

From Our Own Correspondent.

MONTREAL.—Denying the Sydney rumor, reported by THE FINANCIAL POST'S correspondent there, to the effect that D. H. McDougall, former vice-president of British Empire Steel, had formed an American syndicate to buy out Roy M. Wolvin, president of the company, Mr. Wolvin this week said: "There is absolutely no foundation whatever for such reports and there have been no negotiations for the sale of any holding to Mr. McDougall or anyone associated with him." Sydney seems to get more rumors on the B. E. Steel situation than Montreal, as the report referred to has at least had no general circulation here, as has been the case of a number of rumors which seem to have created some interest at Sydney.

MUST CONTINUE TO IMPORT FUNDS

President of Bond Dealers Says Not Necessary to do All Own Financing

In his address before the Ad Club of Hamilton recently, J. W. Mitchell, president of the Bond Dealers Association of Canada, commented on Canada's wealth at some length. He said in part:

"We have got so accustomed to dealing with millions that we do not appreciate their greatness. Canada has enormous wealth. Our bank clearings in 1923 were $17,300,000,000, as against $18,000,000,000 the year before. This shows a decided increase. Over 85 per cent. of our bonds issued in 1923 were taken by Canadians, 15 per cent. by the United States and the remainder by Great Britain.

"It shouldn't be necessary to have to do all our financing for ourselves. We must continue to import capital in a way that will be for the employment and benefit of the people. The borrowing we do for productive enterprise, we do well. Bank loans contributed greatly to the financial strength of Canada.

"We are the greatest wheat exporting country in the world, and we are rated as the greatest per capita exporter. With under 9,000,000 people we have something like $20,000,000,000 in bonds and trusts. What do we need to make our national situation stronger?"

He alluded to our heavy debt of two and a half billion dollars, and the heavy interest charges it involves, which must be met by the taxpayers. To do this he emphasized the necessity of getting more people into the country and making it profitable for people and money to come here to do business.

In calling for a reduction of the expenses of doing business, he said: "The red tape must be done away with. We must have a board of business experts to consult with the government before it imposes these vexatious taxes. We could cut the expense of government tremendously were we to do so."

POSTAL INTEREST QUARTERLY

WASHINGTON. — Interest on postal savings certificates hereafter will be paid on a quarterly basis, instead of annually. Under the old plan depositors received no interest if they withdrew their savings in less than a year, and if they withdrew them in twenty-three months they received interest for only a year, the government allowing nothing for less than a year.

AMERICAN CAPITAL HAS HELPED BUILD UP STEEL PLANTS

Millions of U. S. Money in Our Iron and Steel Industry

THE "BIG THREE"

Trio of Largest Steel Plants in Canada Grew Out of Factories Built by Americans

From Our Own Correspondent.

MONTREAL.—In Canada the iron and steel industry is one of the most important of the nation's manufacturing industries. Yet the industry cannot be so directly classified as one built up on the firm foundations of our natural resources as can the pulp and paper industry, the milling industry or the lumbering industry. True, Canada has all the essentials of a great iron and steel industry; coal reserves, iron ore deposits, a growing domestic market, excellent trade connections. But we have not to date taken advantage of these fundamental advantages, and, in many of its phases, we have built our iron and steel industry less soundly than we might have built it.

There are now evidences of a change. Attention is being directed to the utilization of Canadian iron ores. Export markets are being sought out aggressively. Strong financial interests are studying the iron and steel industry in its various divisions. We have firmly established the factories that carry out the finishing processes, such as the manufacture of castings, hardware, automobiles, and other lines of metal-working. During the next few years the real development in the Canadian iron and steel industry is likely to be noticed in the stabilization of the actual production of the basic iron and steel.

Much American Capital

United States capital has done a great deal to build up the Canadian iron and steel industry. In the field of iron mining, residents of the United States hold $4,800,000 of the outstanding securities, that total $15,700,000. In coal mining, which in Nova Scotia is closely linked to the development of the iron and steel industry, United States capital represents an investment of $25,900,000 out of the total outstanding securities of $86,700,000. In the actual manufacturing stages of iron and steel production, including the furnaces and rolling mills and subsidiary industries, such as structural steel and car manufacture, hardware manufacture, automible manufacture, etc., American investments amount to $170,000,000 out of a total of $405,000,000.

British capital has been present to a smaller degree. British investors have bought heavily of Canadian public securities, and of Canadian railway securities. These are more of the type where they have not been asked to take an important management interest. So long as dividends and interest have been paid promptly the British investor has been satisfied. But iron and steel development and the construction of factories to utilize these products has required the attention of promoters and builders present on the ground. The capitalists of the neighboring United States have been attracted more than British investors.

British investors hold $4,000,000 of the $15,700,000 of iron mining securities; $18,700,000 of the coal mining securities and $19,000,000 of the iron and steel industrial shares and bonds.

There has been some small investment too from other countries, notably $7,700,000 in coal mining, and $1,300,000 in iron and steel industries.

Three Important Companies

Iron and steel industrial growth in Canada, to a large degree, has been built around three great developments; one in Nova Scotia, one in Hamilton, Ontario, one at Sault Ste. Marie. The three enterprises mentioned are the most spectacular and important in the field. It is more than a coincidence that the original companies that have blossomed out into the Steel Company of Canada, the Lake Superior Corporation, and the British Empire Steel Corporation, were promoted and financed by American capitalists. All of these three important steel industries have been built up through hard work that has surmounted serious financial difficulties.

Iron and steel manufacturing plants in Canada and the plants manufacturnig the products of iron and steel total about 1,700, with a capital invested of around $643,000,000. The annual value of the products is more than $700,000,000. The annual production of pig iron is around 900,000 tons, and of steel, about 1,000,000 tons. These basic products are converted into finished products in many finishing plants that have been built up to success by Canadians who have drawn upon British and American sources of capital to a very great degree.

RAISE TAXATION BASIS

Vancouver's total assessment for 1924, including gross value of land and improvements, has been fixed at $208,301,250, or $1,306,335 in excess of the total assessment available for taxation in 1923, according to City Assessor H. J. Painter.

However, while land is taxed on the basis of 100 per cent. of its assessed value, improvements are taxed only on 50 per cent. of value, and in the new assessment roll the total of assessment on land has been reduced by $906,480, while the gross improvements assessment was augmented by $2,212,815. Consequently the basis of taxation has been increased by $103,978 only.

Belding-Corticelli Pays First Common Dividend

From Our Own Correspondent.

MONTREAL.—As will be seen from the official dividend notice published elsewhere in this issue, Belding-Corticelli has declared the first dividend on its common stock. It is clearly pointed out by the directors, however, that the dividend is not to be construed as the first of a series of distributions on a definite dividend basis. "Future declarations will depend upon a continuance of profitable operations," says the notice to shareholders.

There is $749,500 of common outstanding, and the dividend at 2 per cent. takes about $15,000.

Belding-Corticelli is a combination of several important silk manufacturing companies. The merger was effected in 1911, and the dividend payment puts this company among the dividend payers of the many mergers of 1909 to 1911. In that three-year period there were mergers in Canada affecting companies with total capitalization of more than $385,000,000.

Sifton Suggests Outside Control of Banks and Board of Rediscount

Constructive Plan to Strengthen the Banking System at Its Weak Points and Restore Public Confidence—It Provides a Lead for Ottawa—Can Men be Secured?

Agreeing with statements which have appeared in THE FINANCIAL POST to the effect that none of the bank failures which have occurred in Canada in the past fifteen years would have been possible with adequate inspection of head offices, and that the solution of the present situation lies, not in the direction of a detailed government audit, but rather of outside head office supervision, Sir Clifford Sifton suggests the appointment by the government of a small central board of either three or five men—preferably three. Under such a board of matured, experienced and successful bankers and financial men he would have a small staff of auditors, the whole to be administered along the lines of the Federal Reserve Board in the United States, but in no way imitating the Federal Reserve system, a machine which is not necessary in this country because the branch bank system has not that inherent weakness in mobilizing the country's financial resources which was recognized in the system of unit banks in the United States.

Sir Clifford emphasizes the point which has previously been made by THE FINANCIAL POST that the banks must take some action to restore public confidence if they are to head off the political demand for government inspection or government banking. In the opinion of Sir Clifford, government banks are unsound in principle and will sooner or later prove disastrous in practice.

In the banking community it is felt that the success of the Sifton plan would largely depend on the men secured for the proposed board. Bankers express doubt as to whether men of the required experience and ability could be found who would accept appointment. On this point they differ with Sir Clifford.

The history of the last few years has shaken the confidence of the public in the safety of the banks, either as an investment in stock or as a place of deposit. To some extent also the efficiency of the banks in extending credit facilities has been challenged. A series of events, extending over a number of years, has culminated in the present condition of disquiet.

1. The failure of the Ontario Bank disclosed that there had been long continued and deliberate fraud in the head office.

2. The Farmers Bank case showed that the Bank had been almost from the beginning under a bad and highly speculative management.

3. In the Sovereign Bank case a new general manger set out to make money rapidly and teach the banking world new principles. The usual result followed.

4. The Merchants Bank, a very large and highly respectable institution, risked its existence by making huge loans at the headquarters of the bank, principally, it appears, to stockbrokers whose banking accommodation, if they receive any, should most certainly be in all cases more than amply secured.

5. Two other banks have lately written off large amounts from their reserves. No very clear explanation has been given to the public of how they made their losses.

6. The Bank of Hamilton lately announced that it could not go on and function as it had been doing. It had to be taken over by the Canadian Bank of Commerce.

7. The disastrous failure of the Home Bank.

8. A few days ago the Bank Nationale was disclosed to be in a position in which it could not continue without heavy losses to the public. The Bank of Hochelaga has absorbed the Bank Nationale and the Province of Quebec has come forward with a fifteen million dollar loan to enable the necessary adjustments to be made.

It is said by bankers generally that we have got to the bottom of the banking difficulties, and that there are no other weak brothers.

It speaks volumes for the level-headedness of the Canadian people and for the soundness of the country that business has gone on as usual, and that there has been no serious financial crisis.

Revising the Bank Act

The Bank Act was revised last year. There were a good many radical demands made for changes. There was a great deal of discussion, which was very largely futile, and nothing very important was done. The bankers complain that what was done hampers them and the people who wanted substantial improvements made are quite clear that what was done does not effect any particular improvement.

It was unfortunate that the discussion of improvements in the banking system was largely left to the Progressive Party in parliament, and by them delegated principally to a few members whose ideas were not very clear, and who were quite unable to concentrate their parliamentary following in favor of practicable reforms. The minister of finance, on the whole, stood by the bankers. It cannot be said that the changes that were made are of any serious importance, and the system remains to all intents and purposes as it was before.

The banks maintain that the system is all right, that it: (1) Supplies all needful facilities. (2) Affords a maximum of security. (3) Is incapable of any substantial improvement.

Let us examine No. 1: It was, I think, shown that there was in the aggregate no great lack of banking accommodation. The defects as far as the extension of credit are concerned appear to be:

(a) That the credit is too lavishly extended when times are good.

(b) That the credit is too drastically curtailed when times begin to get bad.

(c) That, what may be called the "Farmer Zone of Credit" calling for a regular and systematic extension of credit to farmers who show a proper case for it, was not covered nearly as well as it ought to be. There was a good deal of credit extended to farmers, not apparently always very judiciously. But as respects the farmers' credits it was pretty clear that here was a lack of a steady, consistent and well-understood policy.

As to No. 2, it is perfectly clear that the bankers' statement that the present system furnishes ample security has no foundation whatever in fact. The contrary has been conclusively shown; so conclusively in fact that it is no longer necessary to discuss it.

As to No. 3, the banking system must be capable of improvement if it is to go on and function successfully.

The last few months have shown that the bankers' position of maintaining absolutely the **status quo** is untenable. It is now pretty evident that they are beginning to think so themselves. At a late meeting of the Bank of Montreal it was hinted that the relations of banking capital to the bank's total operations should be larger. That was admitting the truth of one of the criticisms that had been applied to the system as it exists now. The obvious answer to this suggestion is that some greater security must be provided for bank shareholders before the banks can, with any hope of success, go to the public for large increase in their paid-up capital, and the bankers, themselves, will have to sit in and help to devise the method of providing this security. At the annual meeting of the Imperial Bank, the president, in a very excellent and well-considered address, pleaded for greater confidence in the banks on the part of the public. That excellent financial paper, THE FINANCIAL POST, has constantly advocated the improvement of the position by some adequate means. Lately, the Saturday Night, of Toronto, which is a very conservative paper, indeed, and well qualified to speak on financial matters, has summed up the situation by stating that "something must be done."

What is the Remedy?

What is the remedy? Many remedies are proposed. For instance, the Canadian Council of Agriculture wants the Dominion savings banks expanded into a central Dominion government bank; apparently a bank doing business the same way as a chartered bank, and entering into direct competition with them. Nobody in the world has made any attempt to show in what way such a bank would improve the situation, and it can be conclusively demonstrated that no improvement whatever could possibly follow from the establishment of such a bank.

The Home Bank depositors, writhing under the serious and grievous wrong which has been inflicted upon them, a wrong which must engage the sympathy of every person, calls for the establishment of numerous branches of provincial banks.

So far as provincial banks are concerned, I have no hesitation in giving my opinion in the most emphatic way that they are unsound in principle and sooner or later will prove disastrous in practice. Our provincial governments are highly respectable institutions. As a rule they are composed of hard-working and competent men of affairs. I think the provincial governments of Canada, from the beginning, have been shown to be on the whole capable, efficient and highly creditable to our system of government, but I think that a provincial government is about the worst institution in the world to conduct a bank, and I am as certain as I can be of anything that sooner or later in some provinces disaster will result if the system of provincial banks is allowed to continue.

If sudden and large demands come for the return of depositors' money, the provincial government, it appears, would have to rely on the chartered banks. To anyone conversant with banking finance, or government finance, such a system appears in the highest degree unsound, and while the credit of the government of Ontario is at the present time quite above suspicion, that is no reason for violating every principle of finance. I think every thoughtful business man in Ontario who has given the matter any consideration, will feel very much relieved when the system of provincial banks, conceived at a time of financial stress, and intended as a palliative for temporary embarrassmenft, shall be brought to a decorous and dignified conclusion.

Our banking system is a great and creditable structure, managed, as a rule, by conscientious and able men. Time has developed some defects in the system. The way to improve is not to go out and violate every principle of banking and finance, but to ascertain what the deficiencies are and proceed to remedy them.

What are the deficiencies?

1. Lack of security.

It has been shown that the present sanctions are insufficient, and that banks may fail disastrously.

Can this be prevented?

What we want then is something that will give us as great a security to the public that the rules of banking will be followed as it is possible to get in human affairs.

The American System

The American national banks are inspected by the government, and welcome it. Our banks are audited by auditors appointed by the shareholders. This has been proven to be insufficient. There was a provision inserted in the Bank Act at the last session that the minister of finance might order a special audit. I regard this as entirely useless. The minister of finance objected to anything more, on the ground that he did not want the public to think the government was responsible for the financial condition of the banks. I venture to say that the clause which was inserted will do exactly what the minister said he did not want it to do. It will cause the public to think that the government is responsible, because the public will say, if a bank fails under very bad conditions, that it was the duty of the minister to have an audit, and if he has failed to do it, the government is responsible. In a modified degree, that is exactly what the depositors of the Home Bank are saying now. I do not think that the provision for a special audit is of any value whatever. In any case in which such an audit is made, it will be a case of "locking the door after the horse is stolen." To be effective, the machinery must be continuous and automatic. I think that the whole course of events in connection with our banks, for the last fifteen years, has shown conclusively that an independent audit and inspection is necessary, and sooner or later must be adopted. I do not, however, favor a direct audit by the government. I do not think such an audit is likely to be satisfactory or effective or free from obvious political evils.

A Central Board

It appears to me that the best possible system would be for the government to appoint a small central board of either three or five men, preferably three, of mature, experienced and successful bankers and financial men; the same kind of men who have been appointed in the United States as directors of the Federal Reserve Bank. We are not destitute of such men in Canada. We have such men who would regard appointments to such a board as a fine culmination of an honorable and successful career, and who would honor themselves and the country by performing the high functions of the office with integrity and ability. Such a board should have a small staff of auditors, sworn to the proper discharge of their duties. It is not necessary to inspect all the branches of the banks. Inspection of the head offices and half a dozen o

(Continued on page 18)

PUBLIC PAYROLL ENORMOUS TOTAL

Dominion Employs Twice Number of Any Private Concern in Canada

From Our Own Correspondent.

OTTAWA.—Over twice as many people work for the Dominion government to-day as work for the next largest employer of labor in the country. This may seem to be a startling statement, but it is correct. This means that in proportion to population Canada is one of the leading socialistic states in the world.

The National Railways employ about 100,000 persons, or they did at one time during the fall. Quite a number are employed by the Canadian Government Merchant Marine, while well on to 60,000 are engaged in the Civil Service. So that the government employs approximately 160,000 people.

Allowing an average of five persons to a family, this means that 800,000 persons, directly or indirectly, are dependent on the Dominion government alone. As practically none of the government services are operated at a profit, this means that this large body of persons is being maintained chiefly through the efforts of those who are in gainful occupations.

The rapid increase in the number of those thus kept by the efforts of others is one of the reasons why taxes are heavy. When Confederation was formed the government had to make jobs for a number of persons, who, having places in the old Crown colonies, had to be taken care of. There was a gradual increase in the number of government employees, but during the last ten years has gone forward by leaps and bounds.

If the number of those employed by the provinces and municipalities were added to the above, it would probably be found that one-fifth of the total population is being taken care of by the other four-fifths. From this it is plain that the war is not the only cause of heavy taxation. Taxes are getting heavier, because, in proportion to the population, there is a smaller percentage of persons engaged in gainful occupations than there used to be.

The situation is getting worse, for if an enterprise doesn't pay, the natural thing to do is to work it off on the government. If it was any good, those owning it would not let the government have it.

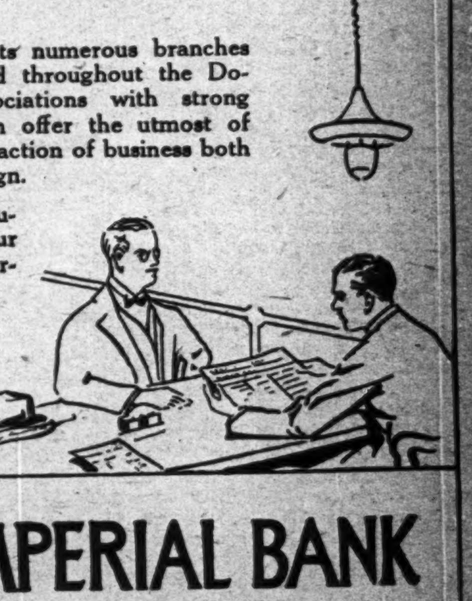
Making the Bank your Partner

It is desirable that a business house make a very careful survey of the co-operation and facilities a Bank can offer before definitely placing its account. The selection of a Bank may be the determining factor of success.

The managers at all branches of the Imperial Bank are always willing to aid customers in their business problems and to co-operate with them to the fullest possible extent.

This Bank, with its numerous branches strategically placed throughout the Dominion, and associations with strong foreign banks, can offer the utmost of service in the transaction of business both domestic and foreign.

Inquiries from executives regarding our facilities and resources are invited.



IMPERIAL BANK OF CANADA

307

IN JUSTICE TO YOUR FAMILY

We would impress upon you the necessity of making a Will. And, second only in importance to the actual making of a Will, is the selection of an Executor to carry out the provisions of your Will.

The economical and efficient administration of your estate can best be obtained by the appointment of a permanent executor such as The Royal Trust Company.

Write for our booklet, "Practical Hints on Making your Will." Mailed free on request.

THE ROYAL TRUST Co

EXECUTORS AND TRUSTEES

Head Office - Montreal

CALGARY, EDMONTON, HALIFAX, HAMILTON, OTTAWA, QUEBEC, ST. JOHN, N.B., ST. JOHN'S, NFLD., TORONTO, VANCOUVER, VICTORIA, WINNIPEG

221

5½% Interest Return

INVEST YOUR SAVINGS in a 5½ DEBENTURE of The Great West Permanent Loan Company

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG

Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Canadian Appraisal Co., Limited

Property Values Definitely Established to Meet All Insurance and Accounting Requirements

Toronto, Royal Bank Bldg. — 364 University Street, Montreal — New York, Equitable Bldg.

ALASKA COAL NOW THREATENS MARKET OF B.C. COAL MINES

Transportation Will Be the Factor in Competition

From Our Own Correspondent.

VICTORIA. — British Columbia's coal industry, which has suffered a series of serious reverses as a result of the inroads of imported fuel oil from California, may suffer another severe blow as a result of the threatened invasion of Alasaka coal in the markets of Washington, Oregon and California.

During the last few months there has been marked activity in the Alaskan coal fields and the United States government has co-operated with the collieries by constructing a railroad into the heart of the producing country. A shipping syndicate has been formed by Alaskan capitalists and this will operate a fleet of colliers between the north and the Pacific states, commencing early next spring.

According to E. L. Bedell, president of the Alaska Bituminous Coal Company, the coal now being produced at Moose Creek, Alaska, compares favorably with Nanaimo coal, which for years has been sold all down the Pacific coast and has made Vancouver Island coal deposits world famous. It is said to be the best coal so far discovered in Alaska. Twenty thousand tons of it have so far been blocked out.

Transportation a Factor

Whether the transportation factor will prevent Alaskan coal from doing serious injury to British Columbia's coal trade with the Pacific coast in the long run remains to be seen. The sale of Alaskan coal will have to be multiplied several times over the present prospects before it approaches the volume of British Columbia exports. Last year Vancouver Island sent 356,000 tons of coal to the American side valued at approximately $5 a ton, so that the revenue from that source was about $1,700,000.

Recent investigations show that the deposits of coal on Vancouver Island are, in consideration of present consumption figures, practically inexhaustible. Borings in the Sable River district by the Canadian collieries company disclosed that there is enough coal bodies in that district yet untouched to permit of a production of 3,000 tons of coal a day for 300 years. The company has been making a series of tests with a view to determining the extent of the Island's coal fields in the Nanaimo region and the result has been extremely encouraging. Three thousand tons a day means about 1,000,000 tons a year. That would exceed the present production of the Canadian Collieries from their two mining areas at Newcastle back of Ladysmith and at Cumberland, further north.

The total production of these two districts last year was 678,139 tons out of a total of 1,754,656 for the year for all Vancouver Island mines combined. Western Fuel Corporation operating the extremely rich coal mines at Nanaimo also has blocked out coal for generations to come. The production of this company was 691,401 tons last year.

SUGGESTS OUTSIDE CONTROL OF BANK AND BOARD OF REDISCOUNT

(Continued from page 17)

the larger branches would be all that is necessary. As to any other branches, there should be a provision in law requiring the banks' own inspectors to make a special return to the central board of all loans in branch banks over a certain amount. Looking at this return the auditors would see at once whether there were any large loans made in outlying branches likely to be a source of danger. In such cases they could make special audit of the branch concerned. I should think that the audit should be made twice a year, and the returns made under oath by the chief auditor to the central board. Printed lists of questions could be prepared, dictated by banking experience, which the auditors would be required to answer, and which would expose all danger points in connection with the system. It would be the business of this central board to make continuous and systematic examination of the monthtly banking returns and of the reports of the special auditors, and forthwith, act in any case where a bank was shown by the confidential reports to be doing anything which was likely to result in danger. The operation of the central board in such a case would not, in any sense, imperil the existence of the bank concerned. There would be a constant relation between the central board and each chartered bank, and if any flaw in the proceedings of any bank was disclosed, it would be an ordinary matter for discussion, and after discussion and explanation, any necessary correction would be made.

Would Prevent Losses

Now, I challenge any person to deny that if such a system had been in effect for the last fifteen years, it is in the highest degree improbable that any of the bank failures which we have had would have taken place. We might have a bank failure through over-expansion and a few imprudent loans, and in some cases some losses might fall on the shareholders, but anything like the disaster which we have experienced in several cases would be totally and entirely impossible.

As I have said, the rules of safe banking are perfectly understood. Every banker knows what they are, and long before the man gets to the position of general manager of a bank, every one of the danger zones of banking are perfectly charted in his mind. He knows perfectly well when a proposition is made to him whether it is a legitimate banking proposition or not, but, heretofore, and at the present time, the banks have only themselves to consider. They have no other tribunal to which they must answer. If such a system of audits as I have described were in force, no general manager short of a lunatic would sanction any important transaction which he knew was unsound, because within a few months discovery and exposure would be absolutely certain.

To Extend Credit

2. Now, as to the question of credit, it is a much wider question. The question of credit has been very widely studied. Thousands of books are written on the subject, and the experience of many countries for some hundreds of years has been collated, so that we are not speaking without knowledge and experience when this subject is discussed. Many theories are advanced with respect to the distribution of credit. Unfortunately, nearly all the theories are by scholars and economists, not business men. These scholars and economists know everything that can be known by the study of books and statistics, but they are very short on a knowledge of human nature, which is the one constant factor that the practical banker has to consider. Reading these books and considering the theories of credit that are advocated, the practical business man is at once impressed with the idea that the writers have never done any business themselves, and that if they had, they would know that the theories would not work. There are a number of specific theories set forward, but it would take too long to discuss them. Certain facts, however, are perfectly well known. The main fact in connection with the credit system is this that we have recurring periods of liberal credits and contracted credits, and that the period of flush times is the period of liberal credits, and the period of hard times is the period o contracted credits. The banks start to loan; the rate of interest is not high credits are easy, times improve. The improvement continues; it gathers strength. It becomes very rapid; it culminates in a boom. The banks begin to get timid. They think their resources are too widely scattered; they begin to conserve and contract and advise caution. By so doing they bring on the very thing that they wish to avoid. The spirit of contraction spreads through the whole banking system. It affects everybody. Progress is stopped. We start down hill. We get going faster and faster. We end at a period of extreme hard times.

That is in effect the financial history of Europe and America for two hundred years.

Three facts emerge:

1. When times have become comparatively good the banks keep loaning with extreme liberality too long, which results in an unhealthy boom.

2. When contraction begins, they contract, under the influence of fear, too fast.

3. The motive behind the contraction is the fear of the banks that they will be caught without sufficiently good resources. In other words, without enough currency to meet extraordinary demands.

Now, can this position be grappled with?

A Safety Valve

The only scientific and so far satisfactory method of grappling with it known to modern finance is the Federal Reserve System of the United States. That system provides a safety valve—a ready and sufficient supply of currency in emergencies, and the effect of it is practically to guarantee that no bank in the United States, which is in a perfectly solvent condition, need fail for lack of currency. It therefore becomes unnecessary for them to contract their loans and conserve their resources to meet emergencies. It must be clearly understood that financial crises have nothing to do with the intrinsic wealth of a nation. Financial crises, speaking generally, are simply due to technical faults in the machinery of distribution and exchange. The United States, with all its wealth, would undoubtedly have had a fearful financial crash after the war had it not been for the Federal Reserve Bank. I do not propose arguing the question here, but the facts that prove this can be easily ascertained. They have not had a serious financial crisis at all. Of course, they have had contraction and expansion, but it has been of a moderate degree, and I do not think anyone can study the financial system of the United States without coming to the conclusion that the Federal Reserve system has been a wonderfully effective agent for the regulation of the machinery of currency and exchange.

I do not think that we require a federal reserve system in Canada. We are vastly smaller than the United States, and the huge system of machinery which they have built up is not necessary for us.

A Bank of Re-Discount

Under the Finance Act, which was passed in the war, the finance department really acted as a bank of re-discount for the relief of the banks when they wanted currency. The Finance Act is not regarded as part of the financial machinery of this country, either by the banks or the government, in ordinary times. My suggestion is that the central board, which I have spoken of, should act as a bank of re-discount, their notes being Dominion notes, issued by the finance department on their requisition. It should be recognized in the legislation that it is the privilege and the duty of the banks to go to the central board for re-discount whenever the business of the country requires it. In other words, it should be indicated to the banks that they are expected not to pursue a panic policy because they fear a lack of currency, but to rely on the means which parliament will provide for their relief.

It should further be the duty of this central board to study constantly and systematically the distribution of credit throughout the whole country, to warn the banks when credit became too easy and was [illegible] condition of inflation. Similarly, to warn them if contraction appeared to be taking place too rapidly. The result would be that we would have a uniform systematic policy where co-operation between the banks would very shortly result in a condition of affairs where we should no longer have excessive inflation or excessive deflation.

It should further be the duty of the central board to survey the whole field with the object of seeing that all necessary facilities were granted, and if any class of the community, as, for instance, the Progressives of the West, claimed that there was any lack of legitimate credit facilities, they could go to the central board and have the matter discussed by competent men, who would see their requests with a sympathetic desire to meet the circumstances of the case. The discussion of these things before parliamentary committees and meetings of the House of Commons are very likely to be futile and unsatisfactory, but such a board as I have described would at once be able to make a complete and thorough examination of every case in which a section of the country was making complaints. They would ascertain whether the complaints were well founded or not, and if they were well founded they would recommend to the government the proper and most effective means of supplying the lack and this would be done by men whose business was finance, and who can be relied on not to recommend any unsound system.

Car Loading as a Barometer of Business

Special Correspondent.

OTTAWA. — The transportation branch of the Dominion Bureau of Statistics has begun to issue weekly bulletins showing revenue car loadings. This has been done for some time in the United States, and enables one to get a good line on the movement of commodities from one part of the country to another. Indeed, it is about as good a barometer of the volume of actual business being done as could be desired.

The car loadings for the week ending January 5th having been 39,146 as compared with 37,837 for the same month last year, show that a greater volume of goods is moving. The loadings for Eastern Canada were 24,583, and for the West 14,563. That a large amount of traffic is being received from the other side of the line is evident from the fact that the number of such cars totalled 23,568, or very nearly two-thirds of the number of cars loaded on all railways in Canada. It was, indeed, within 1,000 of the total number of cars loaded in Eastern Canada.

It is quite probable that the action of the Canadian National Railways in proclaiming an embargo on the all rail movement of grain East may effect car loadings during the latter part of this month; but as the Canadian Pacific is not declaring an embargo, it probably will get more traffic.

PEACE RIVER TRANSPORTATION

Northern Alberta is hoping to see some action to extend transportation to the Pacific coast from Peace River in 1924. It is hinted that action may be taken from in more than one direction, to that end. The opening of Hudson's Hope coal fields would be considered in making any such transportation extensions.

During 1923—

The Canada Life Assurance Co.

(Established 76 Years Ago)

Made the following substantial progress:

		Increase
Total Insurance in Force increased to..	$412,435,000	$51,454,000
New Assurances issued	94,217,000	16,810,000
Total Income for 1923	20,575,000	2,585,000
Total Payments to Policyholders in 1923	9,136,000	1,369,000
Dividends paid to Policyholders in 1923.	2,249,000	432,000
Total Assets	94,249,000	7,595,000
Reserves for Protection of Policyholders	80,696,000	6,680,000
Surplus earned in 1923	2,814,000	120,000

A complete Annual Statement will be mailed upon request to Head Office, Toronto, Can.

MESSRS. R. A. DALY & CO.

HAVE PLEASURE IN ANNOUNCING THAT THEY HAVE ABSORBED

THE BUSINESS OF WARNER & CO., INC., BOSTON, MASS.

AND WILL CONTINUE IT UNDER THE FIRM NAME OF

R. A. DALY & CO., INC., AT 50 CONGRESS ST., BOSTON

DEALING IN UNITED STATES GOVERNMENT, MUNICIPAL, RAILROAD

AND PUBLIC UTILITY BONDS, IN ADDITION TO CANADIAN BONDS.

MR. CLARANCE M. WARNER WILL CONTINUE IN ACTIVE CHARGE

OF THE BOSTON BUSINESS

BUT WILL HAVE ASSOCIATED WITH HIM IN THE MANAGEMENT

MR. HENRY P. BRIGGS LATE IN CHARGE OF

THE TORONTO OFFICE OF HARRIS, FORBES & CO., LIMITED

TORONTO, JANUARY 10TH 1924

ESTABLISHED 1899

THE NATIONAL LIFE ASSURANCE COMPANY OF CANADA

Board of Directors:

GEORGE W. BEARDMORE—President.
COL. THE HON. HENRY COCKSHUTT—Chairman of the Board.
A. H. BEATON, 1st Vice-President. W. H. HOBBS, 2nd Vice-President.
HON. RODOLPHE LEMIEUX, K.C., M.P. DR. W. H. MERRITT.
HON. GEORGE P. GRAHAM, M.P. HUGH BLAIN.
ALBERT S. ROGERS. HON. E. M. MACDONALD, K.C., M.P.
FREDERICK SPARLING—Assistant General Manager.

Progress as Shown in Twenty-Fifth Annual Statement

	1917	1920	1923
Assurances in force........	$22,686,816.00	$30,806,390.00	$35,510,176.00
Assurances Issued	4,337,825.00	6,063,697.00	7,359,131.00
Total Assets	3,755,420.53	5,179,182.94	5,376,486.29
Reserves and Surplus....	3,625,149.81	4,652,100.37	5,996,349.80
Total Income	891,925.25	1,226,668.91	1,488,602.74
Payments to Policy-holders	245,212.26	442,504.16	564,192.21

Since the establishment of the National Life twenty-five years ago, steady conservative growth has been its chief characteristic. Progress coupled with an exceptionally sound investment policy has brought the National Life to the forefront as one of Canada's soundest financial institutions.

"PERMANENT AS THE PYRAMIDS"

Head Office - Toronto

A Plea for a Capital Levy and a Counter Reply

By P. A. CRUMP, and JAMES MAVOR, Ph. D.

After reading how the effort to impose a capital levy would defeat itself, I feel a great desire to pass a few remarks on this subject. Prof. Mavor raises many problems and difficulties with regard to the successful working of a levy, but he shows a comprehensive knowledge of the subject, and gives, or hints at, the real answers to all the questions.

In asking you to publish a plea for a levy in your financial paper, I feel as if I were asking a religious paper to publish a blasphemous article, for I realize that any words in favor of a levy must be regarded as financial heresy, and the writer perhaps condemned as a socialist, communist or bolshevist.

Let us examine the question of the justice of such a levy. The war was paid for by money made during its continuation. This is proved by the fact that the uninvested capital of the state was as great at the end of the war as at the beginning, and invested capital had not been destroyed. This does not apply to England's debt to America, which was a real loss.

The proper method of payment would have been to have raised enough money in taxes during the war to have paid the whole of its cost. As Adam Smith remarks: "Were the expense of war to be defrayed always by a revenue raised within the year, the taxes from which that extraordinary revenue was drawn would last no longer than the war."

This was not done, and at the end of the war England found herself saddled with a huge debt, which the financial interests insist on regarding as part of the capital of the nation.

If the war had lasted for several years longer, as it might have done, and if the debt had risen to 20,000 millions, what an enormous capital England would have had, and how wealthy she would have been. The dear old lady who remarked, "How comfortable everybody will be after the war, living on the incomes from their war loans," was not far wrong in many people's philosophy.

I strenuously object to this. The national debt is a mortgage on all property, and a tax on all labor.

A man named Brown had £10,000 worth of property, and held a mortgage for £3,000 on his own house; and he valued himself at £13,000. When it was pointed out that he should cancel this mortgage he refused, saying that he regarded it as his best investment, as the security was good, and the interest paid regularly, as he paid it himself. There are a good many Browns about. Many admit the justice of levying on profiteers, and all who made money during the war, but it is not possible now to distinguish between pre-war and post-war capital, so it follows that all capital must bear the levy. As for the fear that such a levy would ruin England's credit, how can a nation ruin its credit by paying its debts?

Professor Mavor raises many difficulties over the assessment of trust funds, capital of insurance companies and banks. These difficulties are imaginary. The levy would be raised as death duties are at present. If a shareholder of a bank or insurance company dies, his shares are included in his estate. I see no reason why a bank or any other company should be disturbed. The shares form part of the capital of the shareholders, and the deposits part of the capital of the depositors. As regards the assessment of charitable or public funds, the broad principle would be, if they pay income tax they should pay the levy, on the ground that where the State takes part of the income it is entitled to take part of the capital.

As regards the difficulty of assessment, every man would assess his own property. His papers would be examined by government experts who would have his income tax papers on hand for purposes of comparison, and they would be able to detect any gross underestimation.

Of course a certain amount of capital would escape the levy, as in every country a certain proportion of income escapes income tax. This cannot be helped. Human ingenuity will always find a way to escape part of its legitimate burdens.

I agree with Prof. Mavor on the method of procedure: First the assessment; second, the issue of treasury notes to the banks as a loan, or the payment by treasury notes of the war loans to be redeemed, making the assessment and redemption amounts the same; third, compulsion of the assessed to make their payments promptly.

As to the fear that capital would fly to other countries on the mere threat of a levy, this is not possible. A small amount of the invested capital might go, but this is very small compared to the amount of invested capital.

I have been trying for years to move my invested capital from Western to Eastern Canada, but so far have discovered no way. Any attempt of capital to leave England on a large scale, for America or Canada would cause such a demand for dollar exchange that sterling would fall so low that all movement of capital would stop. If sent to the small neutral nations of Europe it would find no employment. Such an issue of treasury notes would be temporary, and if it had the effect of raising prices on the stock exchange, it would thereby render it easier for the assessed to sell. As the amount of money to be paid to the government by the assessed would equal the amount paid by the government to the war loan holders, there would be an equal amount seeking investment to that required by the sellers. The two would balance and so prevent any great disturbance of the money market. The government should first issue notes, and redeem and cancel war loans. This would provide the money needed by the assessed, who would sell their bonds, shares or lands and pay the money to the government, who would then concel the treasury notes.

Holders of war loan bonds, who found themselves assessed, would hand their certificates to the treasury, and receive credit against their assessment.

The old style was to borrow from the banks the amount the government needed. Surely this is not necessary. The banks with their assets form part of the capital of the State, then why should the government which controls the whole, pay heavily for the use of the credit of a part? Surely the whole includes the part. (Another shocking financial heresy.) I doubt whether the large capitalists would really suffer. Take a man with £60,000 income, at present he pays half of it in income tax. By taking a third of his capital and thus reducing his income by one third, then cutting his income tax in half, he would find himself just as rich as before.

There would be no levy on estates of less than £5,000, which would let out the bulk of the nation.

Although I myself would suffer from a levy, I firmly believe it would lower the taxes, reduce the cost of living, restore trade and put England on her feet again. Yes, and Canada as well! I am certain that a large part of our present troubles arises from confusing our liabilities with our assets, our debts with capital.

To the abvoe Professor Mavor replies:

Professor Mavor's Reply

Mr. Crump begins by saying, "The war was paid for by money made during its continuation. This is proved by the fact that the uninvested capital of the State was as great at the end of the war as at the beginning, and invested capital had not been destroyed." I suppose that by uninvested capital, Mr. Crump means bank deposits and the like. The amount of these deposits depends largely upon credit, and with the expansion of credit, deposits increase even although there may be no increase in tangible goods. During the war the government employed its credit by the issue of treasury notes. These being discounted, the proceeds swelled the government deposits and later the deposits of those who sold munitions or otherwise rendered service to the government. In this manner the war was paid for day by day and at the end of the war, the expenses of it had been paid by those who discounted the treasury notes or who otherwise advanced on the credit of the government the sums required by it from day to day. The magnitude of the deposits at the close of the war as compared with their magnitude at the beginning of it, affords no indication whatever of the war having been in any sense of the words "paid for." The war has, however, been paid for, but not by the government, excepting in the sense that it has promised to pay for it.

The war was literally paid for, (a) by drawing upon previously invested capital in the form of factories, machinery, etc., which were used and in large measure used up during the war; and (b) by the labor, organizing and manual, which was devoted to the furnishing of the means of carrying on the war. But neither the factory owners nor the laborers could furnish the State with its requirements without receiving any return from the State during the process. The government, therefore, issued credit instruments and those who purchased these are the creditors of the State. So far as they are concerned, the war has not been paid for.

Mr. Crump says "the proper method would have been to have raised enough money in taxes during the war to have paid the whole of its cost." Passing over the point of the proper method, and which is open to question, the real matter is, would the raising of the whole cost of the war during the period of the war have been possible, especially taking into account the fact that Great Britain furnished a very large part of the total cost of the war, not only for her own requirements, but for those of her allies? Great Britain not only imposed during the war higher taxes than any other country but these high taxes are still maintained. There is a superior limit beyond which taxes become ineffective because they render industry unprofitable and therefore discourage it. There is much reason to believe that taxation reached that point during the war. Only the stimulus of patriotism sufficed to maintain the tax rate and to keep industry going.

Mr. Crump protests that "the financial interests insist on regarding the national debt as part of the capital of the nation," and urges that "the national debt is a mortgage on all property." Of course it is, but for that very reason it is tangible wealth and potential capital so long as the law sanctions the holding of such a mortgage by the people who invest in it. The point of view of a mortgagor is different from the point of view of a mortgagee. Such a matter is quite elementary and need not be dragged into a discussion upon the question of a levy on capital.

I must point out to Mr. Crump that I explained the similarity between a levy on capital and a succession duty but I also explained the difference between them. The difference is that a levy upon capital must fall at one moment upon a large proportion of the total capital of the nation and this a death duty does not do. Since the object of the levy is to furnish the treasury with ready money wherewith to discharge a large part if not the whole of its debt, the treasury could not, consistently with such a scheme, take over shares, bonds, etc., these must be sold in the open market. My point is that the operation of selling such securities in great masses would depress the price of all securities and would embarrass many perfectly sound businesses. Everybody would be in the market as sellers or as borrowers. The price of money would go to unheard of heights, the price of securities would fall proportionately, and the yield from the levy might be only a fraction of the anticipated amount.

If in order to prevent collapse in the security market, the treasury issued increased currency, two consequences would follow: First, inflation with depreciation in value of all paper currency previously issued, and fall in exchange and, secondly, the debt would be increased by the amount of such currency forced into circulation.

Mr. Crump says that it is not possible for capital to be removed to other countries by the mere threat of a levy. The answer is that this flight of capital is actually in progress. Very extensive British investments have been made abroad, the return flow of British capital from foreign countries has been checked, foreign investors have been selling our British stocks and withdrawing their money from Great Britain. In consequence of these operations, sterling exchange has already been depressed.

It is true that fixed capital in the form of factories and the like cannot be exported, but for that very reason, the value of such forms of fixed capital may decline.

Those who advocate a levy on capital seem in general to labor under the illusion that the value of capital is fixed. Nothing can be farther from the truth, well expressed in the phrase, "riches take to themselves wings and flee away." There are certain places in various countries at this moment, where money cannot be borrowed on any terms upon factories and the like, for the reason that these have no saleable value. In cases where borrowing upon such securities is possible, the liquid funds may at once be sent abroad.

If anyone finds it difficult to remove his invested capital, that is because his investment has become unsaleable at any price which he cares to accept, in other words, the market value of the investment has declined or it has ceased to have any market value and therefore has ceased to be capital in the strict sense.

There is nothing new in the flight of capital. Such a movement always occurs when political or industrial conditions are adverse to its employment in one country and favorable in another.

In general, a levy on capital is accompanied by so many perturbing reactions, that it could succeed only in a country surrounded by an impenetrable wall and under a pervasively despotic government. In such a case, capital can be wholly confiscated and the owners of it killed, degraded or dispersed; but the consequences must be the destruction of the system of exchange of goods, and local famines. These consequences have without doubt made their presence manifested in Russia, for example.

GOLD PANNERS USED TO THROW PLATINUM AWAY

Platinum is worth $80 to $100 an ounce. It is found in the gravel bars of the Saskatchewan River in Alberta, in conjunction with gold and black sand. For many years gold mining, or more properly gold washing, was recognized as a leading industry of the Edmonton district. The gold is in the form of very small flakes; so small and fine that they are known not as grains but as "colors." These "colors" are carried down stream by the flood water of the river during the months of midsummer, and as the result of eddys, which formed the gravel bars in the first place, they are deposited on these bars always in conjunction with black sand. As the process of depositing gold was going on during the whole period of the formation of the gravel (not sand) bars, the colors of gold were found in certain part of certain bars throughout the whole depth of the gravel.

Experience also proved that the high water of each year brought down a fresh supply of gold "colors" and deposited them on bars that had been "worked out." These new deposits were known as "skimmings;" and after a season of extra high water generally yielded good "pay." An ounce a day, then worth $15, was considered "pay" when food supplies were very expensive. In later and cheaper days $10 a day was "pay." Of course, many miners often worked many days for less than pay.

As already stated the gold was always found in conjunction with black sand. After the waste black sand had been separated from the precious gold as completely as was possible by the process of "panning out," quicksilver was used to pick up the colors or fine particles of gold and so form an amalgam. When the quicksilver was driven off by heat only pure gold was left in a firm but porous mass, worth locally, as already stated, $16 an ounce.

In the early days of mining on the Saskatchewan, platinum was not worth as much as gold. It was found under the same conditions as the gold and being of the same, or greater specific gravity, it remained in the gold pan with the gold after the black sand or the major part of it, had been washed away. Quicksilver would not amalgamate with it as with gold, but if the gold pan showed platinum in the amalgam and so adulterated the higher priced gold with the lower priced platinum, to the profit of the miner and the loss of the trader. Of course, the miner who was found out in this fraud suffered in reputation and stood the chance of having his gold refused altogether by local traders.

British Columbia Electric Railway

"A GREAT ENTERPRISE"

Satisfactory Results

ENCOURAGING PROSPECTS OF THE COMPANY

The Twenty-seventh Ordinary General Meeting of the British Columbia Electric Railway Company, Limited, was held on Friday, December 28th, 1923, at the Abercorn Rooms, Liverpool-street Hotel, London, England.

Mr. J. Davidson (deputy chairman) presided.

The Secretary (Mr. R. W. Bartlett, A.C.A.), having read the notice convening the meeting and the report of the auditors,

The Chairman said:—Ladies and gentlemen,—As the report and accounts have been in your hands for some time, may we take them as read? ("Agreed.")

In the first place, I have to apologize for the absence of two of our colleagues, Mr. G. P. Norton, who has to attend a funeral at Huddersfield, and Mr. Horne-Payne, your chairman, who is prevented from attending owing to ill-health. Mr. Horne-Payne, however, has sent a speech which, with your permission, I will read to you. It is as follows:—

Mr. R. M. Horne-Payne's Speech

Ladies and Gentlemen,—It is very pleasant to be able to present to you to-day such a very satisfactory statement and to report to you nothing that is not encouraging in the prospects of the company and in the prospects of the Province of British Coumbia.

The net revenue of the company available for interest and dividends is £416,472 7s. 9d., as compared with £409,233 17s. 11d. last year.

Interim dividends on the Preferred and Deferred stock of 3⅞ per cent. free of tax were paid to you in June last, as compared with interim dividends for the previous year of 3¾ per cent., and, as you will see from the report, we recommend you to declare final dividends of 18s. 8d. per cent. on the Preferred Ordinary stock and £2 11s. 11d. per cent. on the Deferred Ordinary stock, both free of income-tax, making with the interim dividends already paid, total dividends for the year of £4 16s. 2d. per cent. free of tax on the Preferred Ordinary stock and £6 9s. 5d. per cent. free of tax on the Deferred Ordinary stock. These are not high dividends, the average return on our investment being 5.269 per cent., which is less than an investor can get from some British Columbia Government securities or even from Canadian Government Victory Loans, but there is some compensation in the feeling that there is every reason to believe that they are established on a permanent basis. (Hear, hear.)

The revenue shown in the profit and loss account does not include any profit on exchange derived from the remittance of money from Vancouver to London. The net profit on exchange has been carried direct to reserve fund, because, as I explained last year, it is an exceptional profit. Moreover, it is impossible to forecast how long we may derive any advantage from exchange, and should it become necessary to remit money on capital account from London to Vancouver before the rate becomes normal, the premium on the dollar will be a disadvantage to the company, against which the present profit on exchange forms a useful reserve.

I will not detain you by going into the figures of the various departments of our business, because these are fully set out in the report which is in your hands, and I am sure you would like to hear from my colleague, Sir Ernest Harvey, and Mr. Davidson, who, at the request of the board, kindly undertook visits to British Columbia this year.

Tribute to the Staff

Before concluding, however, I should like to commend in the warmest possible manner, the invaluable services which have been rendered to the company in the past by our executive in British Columbia, Mr. Kidd, Mr. Murrin, Mr. Goward, Mr. Glover, Mr. Laursen, Mr. Adams, Mr. Keiller and others. Each one of the last nine years covering the war and the perplexing post-war period was difficult and arduous, full of problems and anxieties. Every problem has been met and solved to the equal advantage both of the people of British Columbia and of the company, and I believe that this satisfactory position is due equally to the frank and conciliatory manner which your executive has invariably adopted in their dealings with the authorities, and to the desire of the authorities themselves to find a way out of the embarrassments created by the changes produced by the war—I refer in particular to the matter of the tramway fares, which have been most equitably and satisfactorily settled on a permanent basis since the passing of the British Columbia Electric Railway Passenger Act, and the resultant agreement between your company and the City of Vancouver, which I reported to you last year. All parties concerned are now working together cordially and energetically for the general welfare of the province without loss of strength in disputing and quarrelling. It has given us the greatest pleasure to invite Mr. Kidd to join the board, and in asking you to confirm his election to-day, we are not only asking you to mark your appreciation of his able and faithful services to the company, but we are asking you also to do something which will strengthen the prestige of the company in British Columbia.

In order to come into line with universal practice throughout Canada we have created the offices of "President" and "Vice-Presidents," and have appointed Mr. Kidd, President, Mr. Murrin, Vice-President, and Mr. Goward, Vice-President in Victoria.

The Chairman:—Sir Ernest Harvey will now address you.

Sir Ernest Harvey's Visit to the Property.

Sir Ernest Harvey:—Ladies and gentlemen, in May and June of this year I had a most delightful visit to British Columbia to see your property. My visit was delightful because I found the company in fine physical condition, well managed, and more popular with its customers than it has ever been.

I had not been to Vancouver and Victoria since 1913. The long years of war prevented travel, and during the years succeeding the war I had to spend so much time in Russia, Germany and Austria, that it was not until this spring that I was able to get to Canada.

My previous visits were at two years' interval, but I had some compensation for my ten years' absence in that I could note so much development in the cities and in the surrounding country. The increase in our lighting and power load, and in our gas output, is the most practical evidence to you that this growth and the development is of a solid and permanent character.

From 1913 and throughout the war, there was no development in the Province, but owing of the flow of men to the war, rather the reverse. It is, therefore, fair to say that the great development I noted after an absence of ten years has all taken place within the last four and a half years. The solid work throughout the Province persuades us that this improvement will continue, and your Board consequently devotes the most anxious care to provide well ahead of the demand all the power that the people of the cities and districts of Vancouver and Victoria can possibly require. You will understand, and I think that the people of British Columbia appreciate, that the development of additional power supplies takes time, and that we have therefore always to have our plans and work on supply well ahead of demand.

Plans to Increase Electrical Energy.

For the purpose of meeting the demand which we anticipate for the next 15 years or more, plans are now being drawn up for increasing our development of electrical energy from the waters of the Stave and Alouette Lakes. Owing to its great importance I gave this matter my special attention during my visit. You will remember that in 1920 we bought the Western Power Company of Canada, which owned a hydro-electric power plant at Stave Lake. At that time it had a turbine capacity of 39,000 horse power. At the end of 1922 we added another unit to this plant, bringing the capacity up to 52,000 horse power. During the present year we have been at work raising the height of the dams, which impound the waters of Stave Lake, in order to increase the quantity of water stored, and the average head of water available for power generation purposes. To do this the depth of water in the entire lake will be raised some 50 feet, and some 4,000 acres of additional land will be flooded, and the increase in water will enable changes and additions to be made to the plant which will increase its capacity by some 25,000 horse power. In addition, we own, as explained in the report, the water rights of the Alouette Lake, which stands at 140 feet higher elevation than Stave Lake, and at a distance of about half a mile.

The intention is to connect the two lakes by a tunnel and use the water of the Alouette Lake, first, in its fall from the mouth of the tunnel into the Stave Lake to generate some 10,000 horse power of electricity, and, second, by increasing the waters of the Stave Lake to increase the hydro-electric capacity of the waters of the Stave, both at the existing installations and at Ruskin, some four miles further down the Stave River, where plans are under way for a further power development with a capacity of 80,000 horse power. The carrying through of these plans as and when required will double the amount of your present power supply, and will supply the future requirements of the district, even upon the most generous estimates of future growth, for a very long time to come, and it is extremely satisfactory to add that the further development required promises to be of the most economical character, giving us our increased supply much more cheaply than it could be obtained from any other source.

A Descriptive Pamphlet.

I will not detain you with a further description of these water powers as you will soon receive a pamphlet descriptive of your property in which they are fully dealt with. You will, I am sure, be much interested in the pamphlet which is valuable as visualising to you the value and extent of your property, and is valuable to us in British Columbia because it informs the public of the enormous amount of highly technical work and great expenditure—both of which are largely hidden from their view—involved in the provision of electric power, which must certainly have the effect of enlightening them as to the cost of supplying light and power and of the necessity of charging a fair price for it.

In conclusion, I would like to endorse the well-deserved praise of our management expressed in the speech of your chairman.

I am fortunate to number among my close friends many of those in control of the British Columbia Electric Railway in Vancouver and Victoria.

I am convinced that the prosperity of your property is assured so long as we continue to give our customers the satisfactory and considerate service which we do now.

I take this opportunity of acknowledging the kindness and courtesy I received from his Honour the Lieutenant-Governor, from members of the Provincial Government, and from the municipal authorities of Vancouver and Victoria.

Future of the Province.

The Chairman—Ladies and Gentlemen—The satisfactory position of your company, its progress and its prospects, have been so fully dealt with in the report and in the remarks of my colleagues, Mr. Horne-Payne and Sir Ernest Harvey, and the importance of the enterprise is so well set out in the illustrated booklet which will reach you in about ten days' time, that there is little left for me to say. With your permission I will therefore confine myself to a few remarks about the Province of British Columbia in which your company operates. I do not need to tell you anything about its natural resources in timber, agriculture (including fruit farming), mines, fisheries, &c., because these are already well known to you. Any country possessed of these natural riches in such super-abundance only requires energy and capital to develop them, and the markets to receive the produce, in order to achieve wealth, prosperity, and influence. There is no question that the markets for the produce of British Columbia are increasing. The principal natural resource of the Province is lumber. The annual production in 1913 was approximately 30 million dollars. In 1922 it had reached approximately 65 million dollars. The value of agricultural produce, including fruit, in 1913 was approximately 24 million dollars. In 1922 it had reached 55 million dollars. Minerals, which in 1914 produced 26 million dollars, produced in 1922 35 million dollars. It is somewhat remarkable that there should be such expansion during a period of world-wide depression, and one, if not the main, reason is to be found in the improved water and rail communications which have brought the Province into closer touch with the markets of the world. I have no hesitation in saying that the result has been to place every natural industry of the Province upon a sounder and more stable basis.

Water and Rail Communication.

So far as water communications are concerned, the Panama Canal has opened markets for lumber and other produce of British Columbia in Europe, in Eastern Canada, and in the eastern part of the United States which could never otherwise have been reached. Goods are exchanged between these new markets and British Columbia, and even the Provinces of Alberta and Saskatchwan, through the Port of Vancouver. This would be impossible but for the Panama Canal. More and faster vessels also ply between Vancouver and the great commercial trading communities of Japan, China, Australia, New Zealand, and other countries across the Pacific.

With regard to rail communication, British Columbia, formerly connected with the Prairie Provinces and Eastern Canada by one railway only, the Canadian Pacific, is now connected also by the Canadian National some 300 miles further north. Three great American steam railways also converge upon Vancouver—viz., the Great Northern, the Northern Pacific, and the Chicago, Milwaukee, and St. Paul Railroads, with which your company are interchanging year by year an increasing amount of freight traffic. This traffic will grow as the Port of Vancouver comes increasingly into favour as a port of shipment for trans-Pacific trade.

The full benefit of the increased water and rail communications to which I have referred has not yet been felt owing to the dislocation of trade and shipping resulting from the war, but these increased communications will be felt more and more as conditions become normal, and if you are satisfied, as I am, that they will prove a great and increasing factor in the prosperity of British Columbia, you will also be satisfied, as I am, that your great enterprise, now involving 0.000,000 of capital supplied from the savings of yourselves and some 13,000 other British investors, is safely and solidly placed.

Guarantees for Continued Prosperity.

The communities you serve will expand, and you will be in a position to aid such expansion and share with them in the resultant prosperity. What I have said before I repeat: One of the guarantees for the safety of your investment lies in the fact that nothing can be done to damage your credit or your investment which does not damage equally, or more, the credit and prosperity of the cities you serve or the credit of the Province itself, because this enterprise is so large, so well known, and its securities held by so many people throughout the length and breadth of Great Britain that its safety and stability have come to be regarded by them as an index to the credit of British Columbia and its industries generally. In other words, the interests of your company and those of the Province and cities you serve are identical, and under the wise management of the former and the wise government of the latter both will share in the assured prosperity of the future. (Hear hear).

I now beg to move:—"That the balance-sheet as at June 30, 1923, and revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. T. Blundell Brown seconded the resolution.

A Shareholder's Congratulations.

Sir William Fry said that this was his first appearance at these meetings, although he had been a holder of stock almost since the inception of the company. He was sure the shareholders regretted the absence of their distinguished chairman, Mr. Horne-Payne. It was his privilege to make that gentleman's personal acquaintance some years ago, and he was very much impressed with his personality. The board, and certainly the proprietors, were to be congratulated on the very satisfactory report which had been presented. What had impressed him very much in the observations which had been made was the fact that the management of the company was working in such harmonious relations with the authorities, and that everything pointed to the continued prosperity of the company. He wished to join in the congratulations which had been offered to the staff, and especially the local staff, for the admirable services they had rendered the company in the past, and he was sure, from the optimistic observations which had fallen from the chairman and the other speakers, that the shareholders might look forward to greater prosperity for the company in the future. (Hear hear).

The Chairman having replied to one or two questions asked by Mr. T. C. Bradshaw and Mr. James H. Mackay, the resolution was put to the meeting and carried unanimously.

The Dividends

The Chairman then proposed the following resolution:—"That the payment of the following dividends be and is hereby approved:—Dividend on the Cumulative Perpetual Preference stock at the rate of 5 per cent. per annum (less income-tax) for the half-year ended December 31, 1922, on January 15, 1923, and for the half-year ended June 30, 1923, on July 16, 1923. Interim dividends on the Preferred Ordinary and Deferred Ordinary Stocks for the year ended June 30, 1923, at 3⅞ per cent., free of income tax, on June 28, 1923. Also that dividends be now declared in respect of the year ended June 30, 1923, as follows:—On the Preferred Ordinary stock at the rate of 18s. 8d. per cent. per annum, free of income-tax, making a total dividend for the year of £4 16s. 2d. per cent. free of income tax. On the Deferred Ordinary stock at the rate of £2 11s. 11d. per cent. per annum, free of income-tax, making a total dividend for the year of £6 9s. 5d. per cent., free of income-tax."

Mr. Harold G. Brown seconded the resolution, which was unanimously agreed to.

Sir Ernest Harvey next moved the re-election of the retiring directors—Mr. T. Blundell Brown, Mr. Harold G. Brown, and Mr. George Kidd. In Mr. Kidd, he said, they had an extraordinarily capable president. His addition to the board was likely to be of very great assistance to the company in Vancouver. (Hear, hear.)

The Chairman seconded the motion, which was passed unanimously.

Vote of Thanks

Sir Ernest Harvey, in proposing a vote of thanks to the president and staff in British Columbia, said that Mr. Horne-Payne, in his speech, had given the names of the executive in British Columbia, and what they had done for the company was shown by the figures which appeared in the annual report, but what was not shown there was the very clever, tactful, and considerate way in which they maintained the very best relations with all the people and all the authorities over in British Columbia.

Mr. T. Blundell Brown seconded the motion, and remarked that the results disclosed in the report were the best testimony that the shareholders could have that their interests were well looked after. In Mr. Kidd and his management, and all the staff, they had a most loyal and devoted body of men. (Hear, hear.) He was sure the resolution would be received with acclamation, and would be a great encouragement to the staff to carry on the good work they were now doing, and, if possible, increase their efforts on behalf of the company.

The vote was unanimously accorded.

On the motion of **Mr. D. Northall Laurie**, seconded by **Mr. H. Duncan Robson**, the auditors, Messrs. Norton, Slade, & Co. (London) and Messrs. Helliwell, Maclachlan, & Co. (Vancouver), were reappointed.

Sir William Fry proposed a hearty vote of thanks to the Chairman and directors for their capable management of the affairs of the company during the past 12 months.

Mr. Bradshaw seconded the proposal, which was passed unanimously.

The Chairman briefly acknowledged the vote, and the proceedings terminated.

A PRUDENT EXECUTOR OF WILLS

Make your will to-day and provide adequately for the future protection of your family by naming a Trust Company your Executor and Trustee.

UNION TRUST COMPANY
Limited

Richmond and Victoria Streets
Winnipeg, Man. TORONTO London, Eng.

Butler-MacCulloch
Limited
Insurance General Agents, Fire, Hail, Automobile, Miscellaneous.
409 Hammond Bldg.,
MOOSE JAW SASK.

When Remitting Send a
DOMINION EXPRESS MONEY ORDER
For Sale at C.P.R STATIONS
DOMINION EXPRESS AGENCIES

The Mercantile Agency
R. G. DUN & CO.
Consult us before extending credit or if customers are delinquent.
Canadian Offices:
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Regina, Moose Jaw, Saskatoon, Calgary, Edmonton, Lethbridge, Vancouver, Victoria.
Address enquiries to
R. G. DUN & CO.
38 King St. W., Toronto, Can.

SECURITY—THEN PROFIT
A. ANGUS MACDONALD & COMPANY
Investment Securities
C.P.R. BLDG. TORONTO

JAMES W. SEWALL
Forest Engineer
ESTIMATES SURVEYS
FINANCIAL AID
Old Town, Maine 921 15th St., N.W. Washington, D.C.
Largest Cruising House in America.

A specially trained staff for management of syndicates and companies
Write for information
THE STERLING TRUSTS CORPORATION
10-12 EAST KING ST. TORONTO

THE WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

Ottawa St. Ry. Will Spend $500,000 at Once

A heavy program of betterments is to be launched immediately by Ottawa Street Railway. Recently, the ratepayers approved of the new agreement calling for higher fares and line extensions. Ottawa Car Co. will get an order for 15 large double truck cars costing $300,000. The Toronto type was decided against as being too cold for winter, with their large double door space in the centre of the car.

ARMY AND NAVY VETERANS MEET "RED" CAMPAIGN

To Combat Alien Schools For Propagating Bolshevism

CALGARY.—The Albertan says that an extensive campaign, for the purpose of combating the practice of teaching Canadian-born children of alien parents Bolshevik principles and a hatred of constitutional government, will be undertaken by the Calgary unit of the Army and Navy Veterans' Association during the present year. This was decided at the quarterly meeting of the unit, held in the clubrooms last night. The decision to help Canadianize aliens resident in Canada was reached following the reading of a letter from Major M. J. Crehan, of Vancouver, B. C., Dominion president of the association. Major Crehan pointed out that special schools are being operated by Ukrainians, Russians, and other aliens, for the express purpose of instilling un-British principles into the children, teaching them that the British system of government is all wrong, and are endeavoring to make them adopt the principles of Carl Marx as to their standards of morals.

The whole matter was referred to the executive council to study and take action, and the plan of campaign will be discussed and adopted at the next meeting of the executive.

Major Crehan also referred to the alleged "Separatist" movement which is said to be under way in Canada, and urged the old soldiers to be on their guard and protect the interest of the British Empire in every way possible.

"During the present state of affairs, occasioned by the aftermath of the war, when unemployment is with us and the community as a whole is still in a state of turmoil and unrest, this insidious 'Separatist' and 'Little Canadian' doctrine has a fertile soil upon which to fall, especially among citizens of non-Anglo-Saxon origin. It is certainly high time that we, the parent body of ex-service men who have served the empire all over the world during the past 50 years and more, should let the general public know that we still, in times of peace, stand for a united empire and for Canada, although a nation, as part of the British Empire, which means so much toward the peace of the world.

"In addition to that we should also look at that portion of our obligations dealing with the education of the younger generation. This field is certainly not being neglected by the opponents of the British Empire. Is it not time that we see to it that during their school hours our children, of whatever nationality their original parentage might be, are taught that the British constitution is the one that they must uphold, and that the greatness of Canada is unchanged through her being an integral part of the British Empire. Teach them the principles for which the British Empire has always stood; the greatness of the empire, her vast resources; what a privilege is theirs that they are born under the Union Jack."

OPPOSE ENFORCED RAILROAD MERGERS

Why the Credit of the Lines Must be Further Strengthened

By JAMES SPEYER,
Of Speyer & Co.

NEW YORK.—It is encouraging to be able to record at the close of the year that American men and women realize more and more that their individual well being and progress depends largely upon their own honest efforts and that they must not look to nor expect their Government—state or national—to help them in a paternalistic way when somebody, often for selfish reasons, tells them they are entitled to be helped by some bounty in one form or another, sometimes at the expense of their fellow countrymen. There are still, however, some —especially among the important farming class—who allow themselves to believe that, somehow, the Government can counteract the powerful free forces of nature. The law of supply and demand is immutable and ultimately will control. Of course, certain special factors, some outside of our own country, may influence prices and business conditions. At present, the lower standard of living in Europe and the reduced purchasing power of some countries, due to depreciated currencies, and the "economic consequences of the peace," naturally affect our exports, etc.

How Public Opinion Can be Misled

How easily uninformed public opinion can be misled or abused is best evidenced by the fact that only a little while ago special prohibitive laws were passed forbidding railroad consolidations and insisting upon unlimited competition in every way. Today attempts are being made to achieve by legislation the very opposite state of affairs, viz., to enforce consolidation. Neither legislation will stand the test of sober common sense. While abuses have occurred and some Government supervision is called for, it is certainly true that our country has achieved its predominating position by the free exercise of individual initiative. It is only a decade or so ago when we were financially dependent on Europe and when our great setbacks and panics were brought about or intensified by European banks and investors withdrawing their funds from our enterprises. All this dependency has gone—and gone for good and all.

But we should not be satisfied with being the world's great creditor nation financially. There is something more that we can do. Opinions differ as to what we owe to European countries, or what we now should do to help them settle their century-old antagonisms. However, quite apart from all that, there are some important services that we can render, to our own advantage and for the good of humanity. Nothing is as potent as the force of example.

We of the United States, the greatest republic of them all, can show the European peoples that we are able, under self government, to make orderly progress and to settle differences between what is called "capital" and "labor" in a tolerant, peaceful and progressive way, having due regard both to property and to human rights. There is another aspect in which we can furnish these countries a very useful and timely example. Over there, the ultra-nationalistic spirit and hatred of other peoples still exists, and it is even being fostered by some, not, perhaps, without selfish motives. Here we have—living side by side—members of all races and religious creeds. Every true American should discourage any effort to accentuate these differences and especially any attempt to organize blocs or classes on religious or racial lines. We owe this to ourselves and to foreign nations.

I am confident that, occasional signs notwithstanding, we will under the competent and wise leadership of our President render these services, and thus the United States will become and remain the great creditor nation of the world in more ways than one—"with malice toward none, with charity for all."

Canada Should Go Back to Gold Basis at First Opportunity

There Would be Many Advantages in a Return to Gold Payments—Question Likely to be Considered Shortly

From Our Own Correspondent.

MONTREAL.—Should Canada go back on a gold basis? It is likely that this question will be seriously studied by the financial experts of the government during the next few months, and it is possible that the late winter or spring will see some action taken. Canada has suspended gold payments and prohibited the export of gold except under license since the beginning of the war.

Last February, when Canada's gold reserves reached the high figure of $133,000,000 against Dominion notes outstanding of $247,000,000, it was widely believed that the rapid increase in the governmental and banking holdings of gold presaged an early return to the gold basis, but the spring passed, with its session of parliament, and the finance minister's budget speech, with no action or promise of action. Since that date our governmental gold holdings have declined somewhat. At the end of October they amounted to $112,000,000, as against Dominion notes of $242,000,000 outstanding. This showed some decline in the percentage of gold to notes outstanding, but, while suggesting that the increase of last winter was not due to a definite policy of getting back to gold payments, the present ratio of gold to notes outstanding is sufficient to make many financial observers feel that Canada could without danger resume the payment of gold.

Advantages Are Numerous . . .

There can be no doubt of the multitude of advantages to Canada of a resumption of gold payments. These are admitted even by those who feel that we should proceed cautiously in taking such a step. Canada would benefit greatly from the added prestige in the financial world that would result from our going back to the gold standard. Canada would be established as a nation of high credit. It would indicate to the world, that terrible as were our war costs, the nation stands as strong financially and as safe for the investor as ever before.

More important would be the stabilization of our business relations with the United States. No one can measure the degree of difficulty and annoyance that comes from the presence of the discount on the Canadian dollar in New York. Every business man knows the bother of the discount —and the cost. Resumption of gold payments would do away with more than a nominal difference in the exchange rate between Canada and the United States and business relations would be facilitated.

Many smaller annoyances would be removed; such as the inability of an ordinary citizen to get even a five-dollar gold piece from his bank to give as a Christmas present.

Our Currency Is Sound

There are no internal reasons why Canada should not resume the payment of gold. Governmental finances are in excellent condition. Taxes are far above the 1914 level, and the demands of the treasury upon business and individuals are a depressing business factor. But there is no indication of national bankruptcy. Taxes are collected with comparative ease. The facts of heavy taxation and a steadily high debt are not due so much to lack of financial soundness as to political lethargy and a temporarily overbuilt physical structure in railways, canals, public works, etc.

The paper money of the country has excellent backing at the present time. Canadian paper currency has been deflated to such a degree that it ranks higher than the currencies of almost any other nation; the gold-glutted United States of America being excepted. The United States realizes that it would be better off with half the gold that it now has, but economic circumstances have combined to concentrate the world's gold in American vaults.

There are two kinds of paper money issued in Canada. The first is Dominion notes; the second, the notes issued by the banks. Before the war Dominion notes were payable on demand in gold. Bank notes had to be paid either in gold or in Dominion notes, if presented for payment. With the coming of war it became necessary to insure that the banks would be able to meet any extraordinary demands upon them. The peace-time reserves were insufficient to provide protection should the public show signs of panic and begin to demand gold.

With these considerations in mind the banks were empowered to make payment in their own notes, although these were not legal tender under existing law. Bank notes, however, could only be lawfully issued by a bank to the amount of its paid-up capital, and the amount of gold and Dominion notes deposited by it in the central gold reserve. In order to provide that the banks should have sufficient bank note circulation to meet all withdrawals it was proposed that the Dominion government should make advances in Dominion notes to the chartered banks against the pledge of securities deposited by the banks with the minister of finance. This latter feature really made the finance minister's office a bank of re-discount, and so well did the plan work in making more liquid and elastic the position of the banks that it has been continued and is likely to be continued unless something in the nature of a bank of re-discount or a reserve bank is established in the country.

The Re-Discount Feature

A large part of the increased circulation of Dominion notes is due to this feature of making governmental advances to the banks against securities approved by the treasury board. It is not specified what these securities must be, but the effect on the bank's position is to liquefy its assets.

At the end of October there were outstanding Dominion notes to a total of $246,860,680, and the gold held for redemption amounted to $133,-$047,004. This meant that there were outstanding $113,813,675 of Dominion notes which were not backed by gold and which could not be converted into gold if the entire issue were presented for repayment at once. The amount of notes unsecured by gold compared with $21,518,523 on June 30, 1914, the total being more than five times as great in 1923 than before the war. But in making comparisons the effect of the re-discounting feature of the government's financial activities must be considered. Of the $113,813,676 of notes unsecured by gold that were in circulation at October 31 an amount of $92,570,000 consisted of notes that had been advanced against security provided by the banks. This amount is somewhat different from the ordinary issue of Dominion notes issued without gold backing or without other security. They at least have not been issued by the government against its credit alone. The amount of Dominion notes issued without security of any tangible kind—either gold or securities deposited by the banks—amounted to $21,518,523 in the month before the war, and $36,805,011 at the end of October, 1923. This is not a great increase and suggests that the demands on the government for gold, if gold payments were resumed, would not necessarily be sufficient to cause embarrassment.

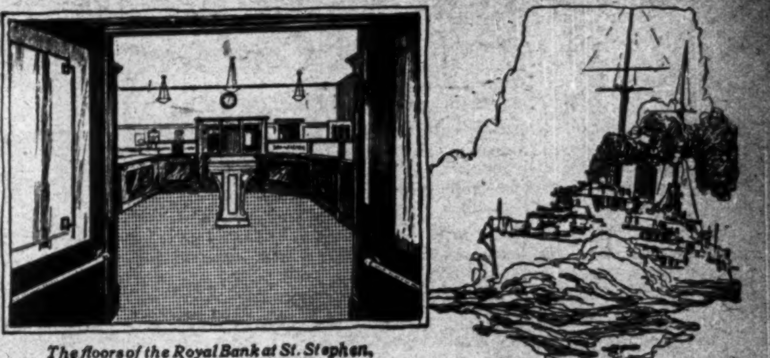
The Relation of Sterling

The lack of financial stability in Europe is always to be considered in questioning whether Canada should or should not go back to gold. Were the pound sterling closer to par and the flow of capital and the payments of bills of exchange between the three countries in the pre-war triangular arrangement—Canada, the United States and Great Britain—at normal again there would be no question of the advisability of resuming gold payments. But Europe is still a-muddled and the British funds have sunk back again after their sharp rise of some months ago. Time has proven the close relationship between the movements of sterling and the movements of the Canadian dollar. Could we be assured of strength in sterling and of its hovering close to, if not around the $4.86 mark, there would be little doubt of our ability to sustain our dollar at par in New York even without shipments of gold. But a continued unfavorable balance with the United States without compensation in the form of a flow of British capital to Canada and increased British purchases of Canadian goods might conceivably bring about a situation where substantial shipments of gold would be necessary to meet our balances in New York.

This is one of the few doubtful factors in the situation. Most of the arguments at the present time are for getting back to gold payments as soon as possible. In one respect Canada is very fortunate in that we are becoming more and more important as a gold-producing country. Production of gold in the country is well beyond the commercial needs of gold-using industries. Ontario alone is producing $20,000,000 of gold a year and new producers are being brought into action in the gold camps every month. The growth in the annual production of gold gives us a commanding position in relation to the world's supply of the commodity and promotes confidence regarding our ability to provide ample reserves for our note issues.

As an aid to business; as a boost to Canada's credit standing; as a contribution to the financial reorganization of the world, it is hoped that thoughtful attention will be given at once by the government to the pressing question of the gold payments. Deeper investigation will likely confirm the opinion now held by many bankers and economists that Canada can get back to the gold basis without a serious loss of gold.

Building Managers' and Owners' Association agrees to give 18,000 elevator operators and starters' union members $1 to $3 a week increases, a scale of $23 to $32 weekly, effective April 1.



The floors of the Royal Bank at St. Stephen, N.B. are covered with Dominion Battleship Linoleum.

For Durable, Quiet and Economical Floors

WHERE quiet is an important consideration and where durability to withstand the tread of many feet is necessary, Dominion Battleship Linoleum provides the ideal floor.

Banks in particular, require the exceptional floor service that Dominion Battleship Linoleum gives. They want quiet, comfort, cleanliness, attractive appearance and long wear. Dominion Battleship Linoleum, with its springy, resilient properties and sanitary features is especially valuable in such institutions.

Hospitals, schools, churches, offices, factories — institutions of any kind — can use this sanitary, durable floor with every assurance of permanent satisfaction.

Dominion Battleship Linoleum is made in four standard shades — brown, green, terra cotta and grey. Special colors on large contracts. Descriptive folder and samples, sent free on request, will convince you of the value of Dominion Battleship Linoleum.

Dominion Oilcloth & Linoleum Co. Limited, Montreal

DOMINION BATTLESHIP LINOLEUM

Dominion Textile Company
LIMITED

Manufacturers of
COTTON FABRIC

MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

MADE IN CANADA

The Beaver "S" is watermarked into our papers for your PROTECTION.
It is our guarantee to you for quality and satisfaction.
LOOK FOR IT IN ALL YOUR STATIONERY
Better Letters mean Better Business. The Beaver "S" papers make Better Letters.
ASK YOUR PRINTER, HE KNOWS
Howard Smith Paper Mills Co., Ltd.
MONTREAL
Mills at Beauharnois, Que., Crabtree Mills, Que., Cornwall, Ont. and Gaspe, Que.

Should Mayor of City Spend His Whole Time?

LETHBRIDGE.—The proposed amendment to the Lethbridge City Charter, calling for the devotion of their whole time to the business of the city by the mayor and regular commissioners has met with strenuous opposition in some quarters. It is maintained that no man who has made a success of his business, and shown himself capable of acting as mayor can be expected to give up the definite future and returns for the uncertainties of political office.

In view of the discussion it is interesting to note the plan followed in other Western towns and cities. The city of Moose Jaw has never had a mayor who entirely abandoned his private interests during his term of office. At Regina, the mayor is manager of a wholesale grocery firm and spends part of his time administering the affairs of that business. While, at Edmonton, the civic affairs require most of the mayor's time, those occupying the office have retained their business connections. In Saskatoon, the question of a whole-time mayor was an issue in the civic election, and the proposal was rejected.

It is evident that a whole-time mayor, picked from the best men in a community, would be very desirable, but it is doubtful if the best men could be secured under these circumstances, except in very large places where a substantial allowance can be offered to candidates.

LONDON ASSESSMENT

LONDON—London's assessment for 1924 stands at $68,891,891, according to the revised assessment figures in a report issued by City Clerk Baker.

This amount, including an addition of $245,638 by the court of revision, shows an increased assessment for "general rates" over 1923 of $2,397,888 and an increase for "school rates" of $2,469,049.